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PRESIDENT MAKES INDEPENDENCE DAY STATEMENT

PY100252 Buenos Aires Domestic Service in Spanish 1600 GMT 9 Jul 84

[Excerpts] President Raul Alfonsin this morning in Buenos Aires presided over the main ceremonies commemorating the anniversary of our declaration of independence. Early this morning at the Olivos presidential residence, Alfonsin and his wife raised the Argentine flag.

At the end of the ceremony, President Alfonsin made a statement in which he called on all Argentines to work together to overcome the crisis that the country is experiencing as soon as possible.

After greeting all Argentines on the day of the fatherland, the president said: I see that all Argentines are willing to mobilize and I believe that we are achieving this. But there is much to be done and a very long path ahead of us.

Alfonsin noted: I have no doubt that all of you are aware of the efforts we have to make in the future, because this is the only way in which we shall be able to overcome the crisis as quickly as possible. Therefore, on the day of the fatherland, be strong and continue working.

At 1045 President Alfonsin and Vice President Victor Martinez walked to the Buenos Aires Cathedral along with national, church, military, and municipal authorities. Before departing for the cathedral, Alfonsin said that Argentina will fulfill its commitments and will assume its responsibilities in keeping with the example of the heroes of our independence.

Speaking to journalists accredited to Government House, Alfonsin praised our forefathers, noting: If we look back to them we realize the importance of this date. Those were times in which it was absolutely necessary to do what was done so that Argentina definitely would assume its own political position so as to overcome the international problems it was confronting. He concluded by saying: This is what we must do in another period of history.

ALFONSIN PROMISES SOLUTIONS TO BEAGLE, FALKLANDS

PY112316 Buenos Aires TELAM in Spanish 2250 GMT 11 Jul 84

[Text] Buenos Aires, 11 Jul (TELAM) -- Argentine President Raul Alfonsin today said that the nation is suffering from a disease, which is arrogance, and that the government wants to cure this disease, for which it is seeking and will achieve a reconciliation with Chile within the framework of the pope's mediation, and with Great Britain concerning the South Atlantic conflict.

When opening the 10th World Baptist Youth Congress at Obras Sanitarias Stadium, the chief executive urged all men of goodwill to help the government in this ethical endeavor and, bearing in mind the sorrowful experience with terrorism, to always struggle for peace.

GRINSPUN ON IMF TALKS, U.S. MILITARY SPENDING

PY091815 Buenos Aires BUENOS AIRES HERALD in English 9 Jul 84 p 7

[Text] Orvieto, Italy -- Argentina and the International Monetary Fund (IMF) are still some way from an understanding on Argentina's 43 billion-dollar foreign debt and the need for corrective policies, Economy Minister Bernardo Grinspun said yesterday. He wa speaking after informal talks with IMF Director General Jacques de Larosiere during a two-day development and aid conference which ended yesterday.

Grinspun told reporters he was optimistic an agreement with the IMF would finally be reached. Differences over the debt problem were narrowed two weeks ago when he met De Larosiere in Washington, he said.

Officials on both sides were working to draft a new Argentine letter of intent to the IMF setting out the ways in which the country would seek to solve its economic difficulties. "But we do not have an understanding yet. When we have one, we will sign the agreement," Grinspun said.

Meanwhile, in Buenos Aires, a high-ranking source in the administration said that the IMF had accepted the Argentine Government's incomes policy and "acknowledged its right not to implement recessive economic policies."

Grinspun said he intended to work out an austerity programme when he returned to Buenos Aires. But he made clear the programme would be designed to protect the poor and would be linked to economic growth policies rather than the anti-inflationary measures sought by the IMF.

He also said World Bank Chairman Alden W. Clausen, also attending the conference sponsored by the Organization for Economic Cooperation and Development (OECD), had offered full assistance for Argentina's efforts. The two-day conference was attended by top officials of international institutions and ministers from 20 developed and developing countries. Delegates said ways of widening the role of the World Bank and the IMF in development were discussed but with no concrete results.

During the conference, Grinspun criticized high U.S. interest rates and attacked protectionism in industrialized countries, financial sources said. He later told the Italian news agency ANSA that U.S. defence spending is disrupting the world economy by pushing up the American Government's budget deficit.

The U.S. budget deficit, projected at 180 million dollars for the fiscal year 1985, is "due fundamentally to defence expenditure," Grinspun said. U.S. Secretary of the Treasury Donald Regan "continues to deny there is a relation of cause and effect, between defence spending and the budget deficit, he added.

Former Central Bank President Domingo Cavallo said Argentina and other indebted countries would have to redefine domestic policies, "not so much to attract foreign capitals, but to produce exportable goods and obtain trade surplus."

In an article published yesterday by the mass circulation daily CLARIN the Mediterranean Foundation economist said there is an acute shortage of high-risk investors, and thus "the foreign debt of underdeveloped countries will be continually renegotiated."

DEPUTY DECRIES U.S. PRESSURE ON ARMS, NUCLEAR SALES

PY110117 Paris AFP in Spanish 1843 GMT 10 Jul 84

[Text] Buenos Aires, 10 Jul (AFP) -- Peronist Deputy Mario Gurioli has accused the United States and Canada of exerting pressure on Argentina to stop arms and nuclear reactor sales.

In a statement to the press in Tucuman, 1,500 km northwest of Buenos Aires, the opposition legislator charged that in view of this there is much annoyance in the military industries and at the National Commission for Atomic Energy (CNEA). He noted that colonels and captains are requesting to be transferred in view of the lack of a political decision to export tanks and planes. He added that this situation has prevailed for at least the past 3 months. According to Gurioli, work at the CNEA and the Air Force metalworkers department has been paralyzed because of this problem.

The Peronist deputy said that Canada and the United States are exerting pressure on Argentina to prevent the sale of Argentine-made arms and nuclear reactors to Latin America and other Third World countries.

DEPUTY SEES 'ARMY CRISIS'-FIRMENICH LINK

PY091805 Buenos Aires BUENOS AIRES HERALD in English 9 Jul 84 p 7

[Text] (NA-DYN) Deputy Luis Sobrino Aranda (Justicialist-Santa Fe) said yesterday there could be a link between the recent Army crisis which resulted in a reshuffling of the top echelons and the upcoming extradition of former Montoneros terrorist leader Mario Firmenich from Brazil, pointing to alleged agreements between that extremist group and "Navy leaders from 1977 onwards."

Aranda called in a statement for face-to-face hearings between Firmenich; former Navy Commander Emilio Massera; former Buenos Aires police chiefs, Generals Ramon Camps and Fernando Verplaetsen; and retired General Juan Carlos Trimarco, "in order to clear up many unsolved crimes unrelated to the military's fight against subversion, such as those of (Elena) Homberg, (Marcelo) Dupont," and left-wing Peronist leaders Osvaldo Cambiaso, Eduardo Pereira Rossi, and Raul Yaguer.

The deputy accused Massera, now in prison awaiting trial for allegedly covering up information in the case of missing businessman Fernando Branca, of having tried to infiltrate Peronism, as well as being involved in the recent military crisis, along with Firmenich and another former Montonero leader, Fernando Vaca Narvaja.

He termed the Peronist Organization Command and National University Rally and the Radical Franja Morada student groupings the "useful idiots at the service of Massera, Firmenich...(and) international Marxism."

Latin American political leaders from Brazil, Mexico, Colombia, and Costa Rica rallied Saturday for the release of Cordoba's former Peronist Governor Ricardo Obregon Cano, whom they visited in prison, and announced they would ask the Brazilian Governmen not to extradite Firmenich. Group spokesmen said Senate Majority leader Vicente Saadi (Justicialist-Catamarca) would ask for an interview with President Raul Alfonsin to request "the release of all political prisoners and the nonextradition of Firmenich. Obregon Cano was imprisoned on his return to the country in December on charges of having helped spark the violence which swept Argentina in the early 1980's.

In a full-page advertisement published yesterday in the daily CLARIN, the former Cordoba governor told Alfonsin his government is entangled in "dictatorial legality" and accused the president of "extreme weakness" in dealing with those responsible for illegal repression, economic damage, and military defeat in the Malvinas war during the former military regime. Obregon Cano termed his own imprisonment "political" and pointed to the difference between his own conditions and those of former regime leaders on trial for human rights violations. He said that whereas the former military officers are detained at "luxury" prisons and being tried by their peers, he is facing trial by "process judges."

BOMB THREAT IN CONGRESS PROVES TO BE FALSE ALARM

PY111855 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1842 GMT 11 Jul 84

[Text] Buenos Aires, 11 Jul (NA) -- The telephone threat that was made at noon today reporting that an explosive device had been placed inside the Congress has proven to be a false alarm. Members of the federal police carried out a detailed inspection that concluded at 1530 with negative results. Personnel who usually work in both chambers were then authorized to reenter the building. Journalists, who had been evacuated in view of the threat, were also allowed to reenter the building at the same time.

For his part, Juan Carlos Pugliese, president of the Chamber of Deputies, attributed the false alarm to "misfit sectors of society."

DEMONSTRATORS DERIDE MEMBERS OF ARMED FORCES

PY100339 Buenos Aires TELAM in Spanish 1524 GMT 9 Jul 84

[Text] Buenos Aires, 9 Jul (TELAM) -- Approximately 100 Mothers of Plaza de Mayo booed members of the three branches of the Armed Forces who attended the Te Deum held at the metropolitan cathedral and called upon President Raul Alfonsin to bring back alive those missing during the latest military regime.

Enduring an occasionally heavy rain, the group of Mothers of Plaza de Mayo took up positions in front of the cathedral displaying a huge sign that read "Trial and Punishment for the Guilty" while they changed slogans related to their petition.

President Alfonsin left Government House through the door on Rivadavia Street and walked to the cathedral. During the first part of his walk he was hailed and applauded by people who had gathered along the street. However, as he approached the cathedral the shouting of the Mothers of Plaza de Mayo became louder. Among other things, they were shouting: "Now is the time for the missing to reappear alive and for the guilty to be punished," and "Justice, justice." The members of this human rights organization also booed the members of the three branches of the Armed Forces who attended the mass.

There were no acts of violence during the religious ceremony, but the mothers urged the chief executive to bring their relatives back alive. They sang: "Alfonsin, you are the president; make the soldier-boys give us our people back." Furthermore, the women whistled and booed at some of the prayers which were said during the Te Deum and heard outside the church over a number of speakers. "Enough lies" was one of the most frequent slogans.

The group, headed by the president of the organization, Hebe de Bonafini, frequently shouted, "Thou shall not kill" addressed to some of the church authorities [as received] who were attending the Te Deum and to the members of the police charged with preserving order. The police were accused of being accomplices in the repression unleashed by the latest de facto regime.

[Paris AFP in Spanish at 2250 GMT on 9 July reported that approximately "1,000 people, including some 100 Mothers of Plaza de Mayo," booed members of the three branches of the Argentine Armed Forces who were parading in front of Government House in Buenos Aires. The crowd reportedly changed slogans such as "The kids died, the soldier-boys sold them out," "Murderers, murderers" and "Thou shall not kill."]

FOREIGN MINISTER DENIES PLANS TO JOIN WARSAW PACT

PY100325 La Paz Cadena Panamericana in Spanish 0000 GMT 10 Jul 84

[Excerpts] During a recess of the cabinet meeting today at Government Palace, Foreign Minister Gustavo Fernandez Saavedra stated that the Foreign Ministry has declared that it has never thought about joining the Warsaw Pact.

Regarding press reports that the government is studying the possibility of joining the Warsaw Pact, the foreign minister said:

[Begin Fernandez recording] (?There have been some press reports which state that there is a possibility that Bolivia will joint the Warsaw Pact. The Foreign Ministry has never granted importance to these rumors, but since they continue to appear we are forced to note that these reports are totally false. We have never taken these reports seriously, but I reassert they are [words indistinct] false. [end recording]

FINANCE MINISTER DENIES PLANS TO RESIGN

PY100310 La Paz Cadena Panamericana in Spanish 0000 GMT 10 Jul 84

[Excerpts] Finance Minister Oscar Bonifaz has stated that he has not thought about resigning, because there is no reason to do so. He thus denied rumors that have been circulating (?in the country) that he may resign in view of his disagreement over the agreements achieved between the COB [Bolivian Labor Federation] leaders and the UDP [Democratic and Popular Unity] national executive board.

[Begin Bonifaz recording] I have not thought about submitting my resignation at this time. [end recording]

Asked about the government's decision to officially postpone the payment of the nation's foreign debt to private international banks, the finance minister said he has no knowledge of this decision and added that the cabinet was just now being informed about the results of the UDP-COB negotiations.

MNHR REQUESTS PLEBISCITE ON GOVERNMENT POLICIES

PY100321 Madrid EFE in Spanish 0800 GMT 7 Jul 84

[Text] La Paz, 7 Jul (EFE) -- Victor Paz Estenssoro, a former Bolivian president and a leader of the main opposition party, today demanded that the government of President Hernan Siles Zuazo call a national plebiscite to determine whether the government will continue in power. In a paid newspaper advertisement, Paz Estenssoro's party, the Historic Nationalist Revolutionary Movement (MNRH), harshly criticized the administration by Siles Zuazo since he assumed power in October 1982.

The MNRH, which placed second in the 1980 general elections and which has a significant number of congressional seats, believes that only a plebiscite can resolve the political crisis that is currently plaguing the democratic process.

According to the MNRH and its leader Paz Estenssoro, a plebiscite would "serve to request the people's views on the government." The MNRH made it clear that its proposal "must not [words indistinct].

The MNRH which is a center-right party, described President Siles Zuazo as "inconsistent." Referring to the government's reports on Siles Zuazo's kidnapping on 20 June, the MNRH questioned their "veracity," stating that it is important made a special foreign commission analyze the results of the investigations.

The MNRH denounced the Bolivian Communist Party (PCB) for turning into the axis of the activities of the executive branch and "seeking to eliminate the members of the government that are against ultraism and the Sovietization of Bolivia." It added that the objective of the "ultraist" government sector is to "progressively dismantle all forces opposed to the Sovietization of Bolivia" and to the "Domestication of the Armed Forces."

The MNRH expressed its conviction that the "ultrist" sectors of Siles Zuazo's government are seeking to destroy the economy "based on extremist plans to deepen the crisis and to create the conditions necessary by stressing that it is important to "look for institutional and democratic outcome that will enable the Bolivian people to exercise their legitimate rights."

Sometime ago, the party of former President Paz Estenssoro, who ruled over the country from 1952 to 1956 and from 1960 to 1964, demanded that Siles Zuazo resign to facilitate a solution to the serious economic and political problems that were affecting Bolivia.

DRUG TRAFFICKERS REPORTEDLY INVOLVED IN COUP

PY112359 Paris AFP in Spanish 1649 GMT 11 Jul 84

[By David Marquez Castillo]

[Text] La Paz, 11 Jul (AFP) -- Colonel Rolando Saravia, who was responsible for the coup attempt in Bolivia on 30 June, received 200,000 U.S. dollars from drug traffickers who hoped to carry out their activities in the country freely if the coup succeeded, the under secretary of the interior said in La Paz today. Under Secretary Gustavo Sanchez said during a press conference that according to the investigations, the money came from a family of drug traffickers. He added that if the coup had been successful, the drug traffickers would have been allowed to operate freely in return for the money they paid.

President Hernan Siles Zuazo was kidnapped for 10 hours on 30 June by a paramilitary commando that did not receive any favorable political support to unleash a coup. It was revealed today that the kidnappers stole the chief of state's documents, watch, and wallet.

During the press conference, Under Secretary Sanchez said that former Minister Marcelo Galindo was the civilian strategist of the coup and he expressed his belief Galindo planned to create a second republic. The coup did not succeed before the military chiefs committed to the coup defected and also because of the lack of national and international support. According to the interior under secretary, some of the coup leaders were not aware that Rolando Saravia was going to kidnap President Siles. Saravia wanted the people to react to the kidnapping by going into streets and attacking some garrisons in order to get a reaction from the Army.

The politicians involved in the aborted coup included several former ministers and leaders of the opposition Historic Nationalist Revolutionary Movement (MNRH) and the Nationalist Democratic Action (ADN) of former Presidents Victor Pac Estenssoro and Hugo Banzer Saurez, respectively.

The government believes that Guillermo Bedregal of the MNRH was directly involved in the aborted coup. He was foreign minister during the brief administration of General Alberto Natusch Busch (1979), who came to power in a coup that caused 100 deaths.

Crio Humboldt Barrero, another MNRH member, has also been accused of involvement in the coup, but has not been arrested.

The MNRH, which in an official communique denied any involvement in the kidnapping-coup plan, has said that President Siles Zuazo must submit his resignation to Congress so that it can hold new elections or call for new elections, which according to the Constitution are scheduled for 1986.

All the people arrested in connection with the aborted coup will be tried by the courts. On the other hand, the 10 people involved in the coup attempt who are in asylum in different embassies are waiting for safe-conducts to leave the country.

The outcome of the recent political military crisis allowed the government to strengthen its position in the military sector by retiring officers believed to be involved in the conspiracy.

General Guillermo Velez, commander of the Command and General Staff school, who asked for the removal of the Army commander, has been removed from his post on charges of being involved in the aborted coup. Five Army officers and other police officers have also been retired. Major Luis Ardaya, directly linked to Siles Zuazo's kidnapping, has been arrested by security agents and is being interrogated in the Interior Ministry.

At the conclusion of the press conference, Interior Under Secretary Sanchez said that the majority of the Army officers are not interested in another coup or in confronting the people.

PCB ISSUES COMMUNIQUE ON COMMUNIST PARTIES MEETING

PY101420 La Paz Cadena Panamericana in Spanish 1130 GMT 10 Jul 84

[Text] The secretary generals and leaders of the South American Communist Parties met in Buenos Aires, Argentina, on 5 and 6 July with the purpose of exchanging ideas and coordinating their regional actions in order to confront the aggressive and belligerent policy of President Reagan's administration.

This information is contained in a press communique issued by the Bolivian pro-Soviet Communist Party [PCB].

The communique then adds that delegations from the Communist Party of Cuba and from the Communist Party of Nicaragua attended the meeting as observers.

During the meeting the participants discussed the economic and political situation of the various countries attending the meeting as well as that of the entire continent. They also discussed the increasing and multiple economic, military, political, and diplomatic aggressions carried out by U.S. imperialism.

The communique ends by stating that all the delegates reiterated their full support to the just cause of the Argentine people that seek to recover the Malvinas Islands, that were seized in an Anglo-Yankee invasion. They termed the cause an example of the Latin American solidarity and brotherhood.

CATAVI, SIGLO XX MINERS WANT COB EXPLANATION

PY092137 La Paz Radio Illimani Network in Spanish 1700 GMT 9 Jul 84

[Excerpt] Catavi and Siglo XX miners are still on strike. They announced that they will continue their strike until the Bolivian Labor Federation [COB] explains to them the agreements between the COB and government authorities.

This information was supplied by Miners Federation leader (Jesus Perez), who noted that Catavi and Siglo XX miners will continue to strike until the COB explains to them the measures agreed upon with the government.

AFP CORRESPONDENT THOMET ARRESTED, RELEASED

PY110135 Paris AFP in Spanish 2356 GMT 10 Jul 84

[Text] La Paz, 10 Jul (AFP) -- French journalist Jacques Thomet, an AFP special correspondent in La Paz, was released by Bolivian officials tonight.

Thomet, who was accused by Rafael Otazo, the president of the National Council for the Struggle Against Drug Trafficking, of having distorted his remarks about his office's lack of means to fight drug trafficking, will be returning to his headquarters in Rio de Janeiro in the next few days.

The Association of International Press Correspondents strongly protested the arrest of the French journalist, saying that the arrest was a flagrant violation of freedom of expression.

BRIEFS

MEXICO GRANTS ASSISTANCE -- The Mexican Government has announced technical and financial aid for Bolivia through a program being studied by the two governments. The aid includes funding for technical assistance, credits for good and services, and the sale of raw goods for Bolivian industries. [Summary] [La Paz PRESENCIA in Spanish 20 Jun 84 p 1 PY]

OIL DISCOVERY MADE -- La Paz, 21 Jun (AFP) -- The Bolivian-U.S. enterprise Bolivia Andina de Petroleo Corporation-Shell has discovered oil deposits north of La Paz Department. The discovery was possible through seismic work and the help of a satellite. [Summary] [Paris AFP in Spanish 2333 GMT 21 Jun 84 PY]

MILITARY MINISTERS WANT FIGUEIREDO TO HANDLE SUCCESSION

PY092155 Rio de Janeiro JORNAL DO BRAZIL in Portugese 7 Jul 84 p 3

[Text] The military ministers want President Figueiredo in the driver's seat of the succession process and have already expressed this wish to the president. In the next few days, they will try again to have the President act decisively on the succession process. This information was provided by a member of the military involved in the effort to persuade President Figueiredo. According to this source, the military commanders are determined not to have a consensus candidate, but are determined to have the constitutional provisions complied with smoothly, without risk or trauma for the country. They hope the president will make some moves to unite the Social Democratic Party [PDS] before the party convention on 5 September, and that later he will use all his negotiating power to ensure the victory of the PDS candidate in the Electoral College no matter whom the party convention nominates.

The comments of the military source have been confirmed by a PDS leader who exuded enthusiasm over the meeting of President Figueiredo and former President Ernesto Geisel on 6 July. The PDS leader said that this month the president "will make himself felt." The PDS leader and the military source agree that the events on 5 July when some PDS leaders were attacked by labor militants in Brasilia set off the pressure to try to get the Planalto Palace to avoid a government defeat in the indirect elections.

The physical attack on the PDS leaders raised great concern in the military area. One of President Figueiredo's military advisers indignantly said: "Is this the kind of democracy they are shouting for?". He believes that at this time laws are being applied too leniently; thus order is threatened. Referring to assaults that are on the rise in cities, especially in Rio de Janeiro, the military adviser said: "There is political insecurity in the country and physical insecurity on the street."

"If the president does not intervent in the succession process," he said, the effects of the national crisis and the internal disputes will further split the PDS and the party will be defeated in the Electoral College.

The military source mentioned earlier admits, although he does not think it is appropriate, that a military candidate may surface if the dispute among the presidential hopefuls does not seem to be leading toward a solution for the country. However, he laid down a condition: The military candidate must be supported by a political party because the military "is not in the mood to intrude." He added that a military candidacy is an option that has been considered in recent days by many politicians.

The name of Tancredo Neves as the opposition candidate strikes no fear in the barracks, according to the military adviser to President Figueiredo. The military commanders believe that the government should be encouraged to resolutely work for the victory of the PDS candidate in the Electoral College because of the presence of leftist groups in the ranks of opposition. The military personality said that "if Congress does not change the rules of the game and Tancredo Neves is elected, the result will be calmly assimilated." He affirmed: "The Constitution is our bible."

STRATEGY SET FOR NEXT PHASE OF DEBT NEGOTIATIONS

PY102137 Rio de Janeiro O GLOBO in Portugese 8 Jul 84 p 35

[Text] Brasilia -- The government has already decided on a new strategy for the next phase of the foreign debt negotiations: It will no longer seek syndicated loans from private foreign banks to obtain new credits (known as "new money"). Instead, it will try to have international banks participate in sectorial programs that have been approved by the IRDB (World Bank) for the 1984-85 fiscal year and that include financing for industry, agriculture, energy, and exports.

Differing from the strategy used in the last two renegotiations in 1982 and 1983 when the government obtained resources to close the annual balances of payment by negotiating for large additional credits with the creditor banks, the new strategy will try to get private foreign banks interested in financing the IRDB-approved programs.

The basic idea is that Brazil's association with the IRDB, which only releases funds after a rigorous study of the projects it finances, will represent a guarantee for creditor banks that the projects are being effectively developed for the purpose of balancing the balance of payments. The private foreign banks will then have the assurance that the money they are lending is being properly invested.

Since the World Bank will be financing practically all the vital sectors of the Brazilian economy in the 1984-85 fiscal year, which runs from July to next June, the creditor banks' resources that will be tied to IRDB-approved programs will also go to meet the needs of those sectors. In fact, what will be done in the so-called phase three of the foreign debt renegotiations is to have the so-called new money supplement the World Bank's financing.

The government developed this new strategy in view of the fact that the syndicated loan scheme has become discredited and it is practically impossible now to get more than 500 banks together to underwrite a giant loan package as was done in the two previous fiscal years.

EDITORIAL SCORES ECONOMIC POLICY, IMF DEPENDENCE

PY092054 Sao Paulo FOLHA DE SAO PAULO in Portugese 7 Jul 84 p 2

[Editorial: "The Internal Market and the IMF"]

[Text] Brasil is going through its fourth year of recession. During this time, the per-capita GNP has dropped approximately 12 percent, with the obvious negative repercussions on society. Inflation has hit historic records, and regional, sectorial, and personal incomes have remained highly concentrated. The foreign debt is approximately $100 billion, international interest rates have risen four times this year, and the per-capita food production for the domestic market is substantially smaller than it was some years ago. While 30 percent of our installed capacity remains idle, a lack of investments has resulted in our industrial facilities gradually becoming obsolete.

The situation was accurately described in critical remarks formulated by the Audit Court of the federal government, which extrapolated its supervisory functions and stated that the agreements with the IMF have failed "to detect the evils of the Brazilian economy and have promoted a disappointing socioeconomic instability."

Partly as a result of all this, our external accounts have undergone remarkable improvement. They even allow for some optimism in a picture that would have appeared far gloomier and it not been for the growing trade surplus.

It is disappointing to note that even of the exports reach $25 billion in 1984, which would be another historic record, Brazil will be exporting less than 10 percent of its production, while the domestic market, which must consume the remaining 90 percent, will fall in the recessionary lethargy imposed by international creditors.

After 4 years of trouble, the economic leadership, headed by Central Bank president Alfonso Celso Pastore, has gained enough courage to admit that it is concerned, because "internal consumption levels are dropping." They point out that they will "analyze the issue with the IMF."

But with such remarks, the government has revealed two well-known secrets: first, that it will be impossible with the current policy to promote growth in the domestic market and that the main economic policy guidelines will have to be changed; and second, that any initiative to reactivate production will have to be approved by the auditors that the IMF sends.

This is a deplorable situation. It shows that the government can no longer hide with feigned optimism what ever one knows, which is that the current economic policy cannot promote growth. And it also shows, and this is even more serious, that the government has no decisionmaking power in the management of the national economy.

NEW COMMUNIST REVOLUTIONARY PARTY FOUNDED

PY091844 Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Jul 84 p 5

[By Hudson Carvalho]

[Text] On 21 June paying homage to the 60th anniversary of Lenin's death, the Communist Revolutionary Party (PRC) was founded, with the main objective of working, as its program says, "for the revolutionary outster of the military dictatorship, carrying down the bourgeois state with it and then building a labor and popular democracy upon the rubble."

Although adopting the same structure of our communist parties based on committees and cells, the PRC, unlike its cousins the Brazilian Communist Party [PCB], the Communist Party of Brazil [CPB] and the 8 October Revolutionary Movement, repudiates alliances with the bourgeoise and "has no doubt that violence will be necessary" to bring the labor class to power, according to Ozeas Duarte who introduced himself as a "representative" of the PRC Central Committee.

Following the conclusion of its first congress held last January "in the country's southern region," the PRC "disregarding conciliatory proposals," rejects the indirect election of President Joao Figueiredo's successor and, consequently, the candidacy of Governor Tancredo Neves, "which can only be of interest to the government and the conservative opposition."

According to Ozeas Duarte in order to sidestep the "trap" represented by the candidacy of Tancredo Neves, the PRC calls for "immobilizing the Electoral College by the opposition so as to deprive it of a quorum, and for the resumption of popular demonstrations on behalf of direct elections now and to prevent a military pronouncement."

Implementing its last resolution, the PRC "stimulates, organizes, and gives priority to the struggle that can release the revolutionary energy to confront the enemy of the people and the existing order, namely, actions against the PDS presidential aspirants following the example of the demonstration against Paulo Maluf in Fortaleza, actions of protest on the streets, clashes with the police, and a general strike in particular."

According to the statute of the PRC, "social democracy is an antilabor concept peddling bourgeois policies within the labor movement." The PRC is also opposed to Troskiyism which it accuses of being "the affirmation of a fractional vision of the party and the materialization of a personal-willed deviation."

The PCB is considered a "typical reform party," and the CPB follows "a dissembled reformism" which is nourished by a Stalinism that assumes "a posture toward the world that must be constantly corrected because it is characterized by a naturalistic view which presupposes that life is regulated by immutable laws, the logic of which is prior to the existence of man himself."

Ozeas Duarte stressed the point that the PRC does not have international connections, neither with parties nor with countries, and that it does not seek its legalization because, in the present circumstances, "it would be tantamount to putting the party into the files of the National Intelligence Service."

ILLEGAL RURAL WORKERS EXPELLED FROM PARAGUAY

PY101600 Rio de Janeiro O GLOBO in Spanish 8 Jul 84 p 8

[Excerpt] Campo Grande -- More than 300,000 Brazilian rural workers -- which is almost one-fourth of the population of Mato Grosso do Sul, estimated at 1.4 million people -- are being expelled from Paraguay where they work on ranches near the border with Brazil. This statement was made yesterday by the head of the Colonization Division of the State Land Department (Terrasul) Carlos Eduardo Marques, at a meeting of the Cattlemens Association of Mato Grosso do Sul.

Marques said that most of those rural workers are going to the southern part of Mato Grosso do Sul, installing themselves along roads or in public parks, thus making worse the problem of the "landless" who now total about 10,000 families in Mato Grosso do Sul. In the city of Dourados, 2,000 families are camping, on land belonging to the church of Sao Pedro where Bishop Dom Teodardo Leitz has allowed tents to be set up inside a hectare area.

Carlos Eduardo Marques said that last week he finished the inventory of families that are being expelled from Paraguay: There are 75,000 families, all living illegally in Paraguay. He added that Paraguay also has serious land problems and tries to solve them with its own resources; one way is to make Brazilians give way to the Paraguayans on the ranches.

SUPREME COURT RULES INSUNZA, ORTEGA MUST LEAVE

PY100346 Madrid EFE in Spanish 0116 GMT 10 Jul 84

[Text] Santiago, 9 Jul (EFE) -- Jaime Insunza, secretary general of the People's Democratic Movement, and Leopoldo Ortega, a member of the Chilean Human Rights Commission, will have to leave Chile in compliance with a Supreme Court ruling.

A ruling of the Supreme Court tonight approved an appeal filed by the government led by General Augusto Pinochet against a ruling of the appellate court which had annulled the banishment judgment passed against Insunza and Ortega.

EX-DEPUTIES SEEK NAMES OF PERSONS EXECUTED, DETAINED

PY101730 Madrid EFE in Spanish 0443 GMT 10 Jul 84

[Text] Santiago, 9 Jul (EFE) -- Several former popular Unity congressmen have asked the Chilean military regime to publish the list of names of the persons executed, detained, disappeared, and tortured from 11 September 1973 until now.

The former deputies of the coalition that brought socialist Salvador Allende to power -- to be then overthrown by the military -- today published an open letter that they recently sent to Interior Minister Sergio Onofre Jarpa, asking for the list of names. The former deputies also demanded "a precise list of the citizens who have suffered banishment in the interior" as well as those exiled, and also demanded that "this practice be ended since it is shameful to humanity."

OPPOSITION GROUP FEARS NEW WAVE OF REPRESSION

PY091818 Buenos Aires TELAM in Spanish 0330 GMT 8 Jul 84

[Text] Santiago, 7 Jul (TELAM-DPA) -- While government security agencies are undertaking intense operations to find those responsible for the latest attacks in Santiago, the opposition Popular Democratic Movement (MDP) denounced that a repressive wave against its leaders will begin this weekend and continue in the following days.

After the shoot-out on 3 July that ended with the death of four alleged members of the self-styled Manuel Rodriguez Patriotic Front, the National Intelligence Center (CNI recently raided houses were extremists are allegedly hidden or where weapons and powerful bombs are stored.

The MDP, which comprises the Communist Party, the Movement of the Revolutionary left (MIR), and a sector of the Socialist Party, announced at a press conference that it is aware that a new repressive wave, even stronger than the one the country underwent during the last months, is going to start.

The MDP says it has been informed by its most reliable sources that over this weekend and during the next few days, massive detentions, banishments, and explusions of opposition leaders will take place.

The MDP also reported that its leader Manuel Almeyda is continuously being followed by unidentified individuals. Also, the homes of Communist leaders Jaime Insunza and Leopoldo Ortega are being watched by individuals who move about in cars without licence plates.

AD PRESIDENT ON MOBILIZATION, UPCOMING PROTEST

PY101200 Santiago Radio Cooperativa in Spanish 1715 GMT 9 Jul 84

[Text] [In progress]...Enrique Silva Comma. The political leader said that the entire country is currently facing all kinds of serious upheaval which the regime is unable to solve. [passage indistinct]

[Begin Silva Cimma recording] Therefore, when we talk about the need for setting up, as a democratic alliance, an atmosphere of social-political mobilization, we do not seek [words indistinct] We do not merely seek to create agitation just for the hell of it. [passage indistinct] the vast majority of a nation whose needs are not met. [end recording]

Silva Cimma made it clear that the Democratic Alliance [AD] is following a peaceful way, without violence.

[Begin Silva Cimma recording] For this reason we believe that we must be legitimate mouthpieces of the concerns of our people and, therefore, we are calling a peaceful mobilization. [end recording]

In keeping with all this, certain pro-government sectors are seeking to establish that agitation and violence are synonyms. Concerning this point, the AD president stated:

[Begin Silva Cimma recording] Not at all. Not at all. When agitation is discussed, we are simply talking of the need for a dynamic mobilization of a nation following a peaceful way, without violence. What is strange is that when the pro-government press talks about violence it forgets in the first place that we have emphatically and repeatedly called for peaceful mobilizations. However, they are overlooking a more serious question and that is that quite often the repressive actions of the authorities themselves breed violence. [end recording]

The authorities repress, Silva Cimma said, with the single purpose of eliciting violent reactions and by doing so, in the end, they are promoting violence. Regarding the upcoming protest, whose exact date has not been set yet, Silva Cimma said:

[Begin Silva Cimma recording] In this protest, which will be officially sponsored by the AD, we do not want violent agitation and we do not want to call this protest just for the hell of it either. If one wants to draw a comparison between this protest and the former ones, we may say that in this cause the unresolved issues will be sorted out. [end recording]

Silva Cimma concluded by saying that this protest will be more substantive and meaningful than the former ones held in Chile.

BRIEFS

CIVIL POLICE NAME CHANGED -- The Civil Police now has a new name. As established by Law No 18,322 published in the official bulletin, the Civil Police will now be called, for legal and regulatory purposes, the Chilean Investigative Police [Policia de Investigaciones de Chile] [Text] [Santiago Domestic Service in Spanish 1730 GMT 9 Jul 84]

NICARAGUA'S RAMIREZ MEETS WITH BETANCUR

PA112316 Buenos Aires LATIN in Spanish 1945 GMT 11 Jul 84

[Excerpt] Bogota, 11 Jul (LATIN-REUTER) -- Nicaraguan Junta Member Sergio Ramirez Mercado had a long meeting with Colombian President Belisario Betancur today, in the context of his tour that has already taken him to Panama and Venezuela.

[Words indistinct] United and Nicaragua, in the efforts to find a negotiated solution to the Central American crisis.

The peace efforts realized by the Contadora Group -- Colombia, Mexico, Panama, and Venezuela -- were also discussed. "Nicaragua continues to support the Contadora Group's efforts. President Betancur, Foreign Minister Augusto Ramirez, and I will address this subject," the Sandinist leader said upon his arrival in Bogota.

Ramirez arrived from Caracas, where he met with President Jaime Lusinchi and Foreign Minister Isidro Morales Paul to discuss these same problems. Before Venezuela, he visited Panama. There he met with President Jorge Illueca and Foreign Minister Oyden Ortega.

EP MEMBERS SAID TO KILL 6 PEASANTS IN SANTANDER

PA120308 Madrid EFE in Spanish 2003 GMT 11 Jul 84

[Text] San Vicente de Chucuri, Colombia, 11 Jul (EFE) -- Authorities of the eastern Colombian village of San Vicente de Chucuri have reported that presumed members of the Poor Peoples Army [Ejercito de los Pobres], EP, murdered six peasants in the past few hours.

The bodies of the peasants, who have yet to be identified, were discovered in Tambo Redondo, a rural area outside San Vicente de Chucuri. The police said the six were murdered by men who claimed to be members of the newly formed EP.

This week ten persons have been slaughtered in the same area in an upsurge of the violence which has shaken the San Vicente de Chucuri area for several years. The village is located on the banks of the Magdalena, Colombia's largest river.

Authorities of Santander Department in which San Vincente is located, are on alert and immediately commenced investigations into the crimes that have swept through the region.

This is the first time that the self-styled Poor Peoples Army has carried out an act of violence, authorities indicated, adding that they were unaware of the group's existence. This incident has left the area's residents perplexed and frightened, police noted.

INFORMATION SECRETARY OUTLINES 'GUIDELINES' TO MEDIA

PY091819 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 1600 GMT 9 Jul 84

[Text] There was an informative meeting this morning at the Information and Culture Under Secretariat of the presidency.

The information secretary held an important meeting this morning with the heads of news departments of the country's media. During the meeting, Mr Fernandez highlighted the importance of the work of reporting. He referred to topics such as state security, providing the guidelines for the reporting of data and news items that refer to certain government organizations. He also spoke about topics of general interest.

The meeting, which lasted for more than 1 hour, ended with a pleasant dialogue regarding journalism and the seeking of improved services without the need of maintaining [as heard] closer relations between the media and the Under Secretariat.

Further Remarks

PY100245 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 0000 GMT 10 Jul 84

[Anibal Fernandez, Paraguayan under secretary for information and culture, statement at end of press conference with heads of news departments of Paraguayan media on 9 July in Asuncion -- recorded]

[Text] This morning we held a lengthy, friendly, and pleasant meeting with editors in chief of the main newspapers and radio and television stations of our capital city. The objective of this meeting was to provide certain guidelines concerning the handling of information intended for the public.

Frequently, certain activities of the president of the nation are not reported accurately. Naturally, I am sure that there is no ill will in this. But, as a result of this, people who would like to see the president, and you all know that the president is truly loved by the people, are disappointed because the president's agenda does not include visits to them.

We discussed the handling of information related to state security, which is very important, and we also talked about the infiltration of left-wing information and the efforts of certain irregular individuals who, under the pretext of speaking out for democracy, are merely confusing the people.

This under secretariat's objective was not to criticize, but merely to supply guidelines without this meaning an imposition of any sort of conditions. Naturally, the Under Secretariat for Information has enough power...is quite capable of handling and disseminating this information.

DEPUTY CRITICIZES U.S. ON AIRLINE TALKS

PY111819 Lima Cadena Panamericana Television in Spanish 0315 GMT 11 Jul 84

[Text] Peruvian Transportation and Communications Minister Carlos Pestana, during a report he gave to the permanent congress committee, said he is sure that Peru and the United States will reach an agreement about the bilateral air treaty and arrive at conclusions that are fair to the two countries, during the negotiations that will take place in the next few days.

Minister Pestana said that the second round of negotiations will begin Monday 16 July, in Lima.

Deputy (Wilson Benzastegui) was pleased with the minister's report, but he crititized the lack of interest the United States has shown in this case.

[Begin recording] [unidentified reporter] When does the second round of negotiations on this air treaty problem with the United States begin?

[Benzastegui] On 15 July, apparently; but I want to make a remark on this. There are several of us deputies who have stated that we are really friendly countries; however, the effort we are making to eradicate drug trafficking in Peru, with the loss of so many human lives, in the jungle and in part of the central mountain range, is not well regarded by the United States. We are making such a big effort to eradicate drug trafficking in order to prevent drugs from arriving in the United States, which is the main consumer. Naturally, they should be a bit respectful to us and treat us with the respect required for a bilateral air transport treaty.

[Reporter] Regarding this, what is the status of the negotiations?

[Benzastegui] They are at a deadlock, apparently. I think they will start again on 15 July. The United States must realize that if we are a friendly country, well, we should be treated as such.

[Reporter] If the problems continue, what would you propose?

[Benzastegui] We will not fly there anymore. We will open new markets; but why, if they want the total freedom to go to Buenos Aires, why don't they give us the total freedom to depart from Miami to go to Madrid or Paris? It is logical, is it not? [end recording]

CAPUTO DISCUSSES AREA DEBT, CONCLUDES VISIT

PY110132 Buenos Aires TELAM in Spanish 2000 GMT 10 Jul 84

[Text] Lima, 10 Jul (TELAM-DPA) -- Argentine Foreign Minister Dante Caputo stated here today that the Latin American countries have sent a total of $170 billion worth of financial surpluses abroad over the past 8 years. Caputo noted that it is impossible for the region to continue to be exploited in this way.

During a press conference held in Lima, the Argentine foreign minister, who returns to his country today after carrying out a 2-day official visit to Peru, evaluated the economic and financial situation of the Latin American countries, which are being affected by high indebtedness and rising interest rates..

Caputo mentioned the Marshall Plan through which the United States used to send economic economic aid to Europe following World War II (1939-1945), and he noted that the export of financial surpluses by Latin American countries is another Marshall Plan, but in reverse.

The Argentina foreign minister added that the foreign debt that is strangling us and the outrageous conditions being imposed by the international financial organizations are factors that are contributing to the destabilization of the Latin American democratic governments and are blocking the reactivation of the Latin American economies.

Caputo, who tonight ends his official 2-day visit to Peru, signed a joint declaration with his Peruvian counterpart, Sandro Mariategui, and among other activities in Lima he held a press conference with Peruvian journalists during which he reviewed the economic and financial situation of the Latin American countries.

During his press conference, Caputo said that, although on the one hand the foreign debt must be paid because it is a commitment that all countries made, on the other hand, the proper conditions that allow these payments to be made must be created.

He stated that it is out of the question to believe that the debt problem must be resolved through the traditional mechanisms that were used 10 years ago, since we are now speaking of a debt of a different nature.

Caputo noted: "Although we Argentines believe that negotiations should be carried out at the bilateral level, since each country is confronting a different situation, we believe that these negotiations must be carried out within a different context and different guidelines. They must take into account the substantial change that has taken place regarding the debt problem of the Latin American countries."

The Argentine foreign minister noted that the proper conditions must be created to solve the debt problem, the democracy problem, and to achieve the development of nations, because these are issues that are closely tied to the issue of continental security.

During his stay in Peru, Caputo visited the Huarangal nuclear center, which was built with Argentine technology and financing. During the visit he said that this center, this undertaking, is an example of lateral technological cooperation between two developing countries for the use of nuclear energy for peaceful purposes.

Before departing for Buenos Aires, Caputo held a reception at the Argentine Embassy in honor of his Peruvian counterpart, Sandro Mariategui, whom he decorated with the Great Cross of the Order of the Liberator.

Yesterday, Mariategui decorated Caputo with the Order of the Sol shortly after the Argentine foreign minister met with Peruvian President Fernando Belaunde Terry and the presidents of both chambers of the Peruvian legislature.

INTERIOR MINISTER VIEWS SHINING PATH ACTIVITIES

PY092206 Madrid EFE in Spanish 1954 GMT 7 Jul 84

[Excerpts] Lima, 7 Jul (EFE) -- While there was some talk about "plans for fraud" in the general elections called for next 14 April, the Shining Path continued killing in Ayacucho, where 27 peasants were murdered.

The town of Suyin, in the southern Department of Ayacucho, was attacked by the terrorists, who killed 27 peasants.

Meanwhile, the government has extended the state of emergency in the country for another 30 days and announced that the Armed Forces will take stronger action against the terrorists and drug traffickers.

Enactment of a state of siege, however, was ruled out.

Commenting on the issue, Interior Minister Luis Percovich said that the Shining Path has still not achieved all its mad subversive plans. He added that the current terrorist wave, which has been going on for 2 weeks, "is only part of the Shining Path's strategy."

The minister said that the subversive activities that the Shining Path has planned "are designed in stages, not only in the emergency zone (Ayacucho) but also throughout the rest of the country."

Percovich said that the new measures that will be taken against subversvion, and which have not yet been revealed, will allow "the elimination of the Shining Path sooner or later."

SHINING PATH KILLS 12 IN SEVERAL ATTACKS

PY061708 Lima Cadena Panamericana Television in Spanish 0315 GMT 6 Jul 84

[Excerpts] Eight Civil Guard members were killed by Communist narcoterrorists of the Shining Path group dressed in Civil and Republican Guard uniforms in the town of (Aucaiaco) and at the site of the (Piquies Palcasu Upeps) projects in Huanuco Department

Two 50-man columns launched simultaneous attacks against the police stations in the above-mentioned places at 1930. They used explosive devices, firebombs, and Molotov cocktails.

Two language institutes and two restaurants were the target of simultaneous bomb attacks between 2230 and 2245 in Huancayo.

In the urban area of Huancavelica, Shining Path members dynamited the buildings of the Minero and Credito banks, while at least five explosions were heard on San Antonio hill last night.

In La Oroya, a Republican Guard member was shot and wounded in the vicinity of (Andres Brature) school at night.

The bodies of five of the dead policemen were brought to Lima aboard a military plane that landed at the 8th Air Force unit headquarters tonight. The five bodies had been taken to Tingo Maria a few hours before; autopsies were performed at the Tingo Maria hosptial. The other victims will be buried in their hometowns in the jungle.

Shining Path members also attacked the town of Acosvinchos in Ayacucho, where they killed four persons and set the town's Evangelist church on fire. The church was regularly visited by U.S. pastors.

In another action, terrorists bombed and destroyed a truck owned by the development corporation. In Ica, another Shining Path group dynamited the Fabritex textile factory in Pisco for the second time in a week. Worker Rufino Espinoza Gonzalez was reported injured.

PARTIES DEMAND 'PROPER ATMOSPHERE' FOR DIALOGUE

PY112140 Madrid EFE in Spanish 0411 GMT 11 Jul 84

[Text] Montevideo, 10 Jul (EFE) -- After 3 hours of deliberations, the "Multiparty Group," which is an association of political parties, tonight decided to demand that the military create the "proper atmosphere" of freedom in order to restore democracy in the country.

In the absence of the National (Blanco) Party, which has refused to negotiate while Wilson Ferreira Aldunate is in jail, the Multiparty Group met with representatives of social organizations and discussed the mobilizations that will be staged to pressure the government to accelerate the democratization process.

In a communique read by Colorado Party representative Enrique Tarigo, the Colorado Party, the Civic Union, and the Broad Front, an outlawed coalition, reiterated their demand that the government undertake more specific action to strengthen the possibility of reaching an agreement leading to the elections that the military regime promised for 25 November 1984.

Colorado Party presidential candidate Julio Sanguinetti told EFE that the task of the Multiparty Group, which is trying to negotiate a democratic outcome with the military, is "painstaking."

The negotiations, which are of a confidential nature, were resumed last week. The parties are now considering a counterproposal to the Armed Forces' demand that the passage from dictatorship to full democracy be implemented through a transition period.

The demands posed by the parties deal with highly controversial issues, like amnesty, which the military is not willing to grant to Tupamaro guerrillas charged with murder, freedom of the press, the lifting of the ban on all political associations, and free elections.

ALDUNATE LAWYER CRITICIZES GOVERNMENT COMMUNIQUE

PY092259 Montevideo Radio El Espectator Network in Spanish 1600 GMT 9 Jul 84

[Excerpts] The communique issued by the National Bureau of Public Relations [DINARP] is another attempt to pressure and interfere with a judicial case. This is what Bar Association President Dr Rodolfo Canabal told El Espectator, Radio Sport, and Cadena de Oro when commenting on an official communique issued this morning on the contacts that Wilson Ferreira Aldunate reportedly held with some extremists in the past.

As regards [Tupamaro] Julio Angel Marenales Saenz, the DINARP communique says that he reportedly held a meeting with Ferreira and Hector Gutierrez Ruiz [former president of the Chamber of Deputies who was murdered in Buenos Aires] at an apartment in Pocitos near Brazil Avenue and that he made a number of proposals to Ferreira and Gutierrez.

As regards the case of Henry Willy Engler Golevchenko, who is linked to the National Party leader, the official communique says that he and Ferreira were picked up by [Marcos Mauricio] Rosenkopf [a Tupamaro] and former Deputy Gutierrez Ruiz. They held a meeting, during which Ferreira Aldunate made various proposals to the National Liberation Movement [MNL].

Canabal, the defense lawyer for the National Party leader, added that the communique reasserts a statement that the president of the Republic made a few days ago.

During an exclusive interview with Radio El Espectador, Cabanal said:

[Begin recording] [Unidentified reporter] Doctor: What is the status of the case against Wilson Ferreira Aldunate and his son?

[Cabanal] The courts are currently in recess, so perhaps I should tell you that nothing is happening at the moment. However, I believe that the military prosecutor who is hearing the case and who has received the court records to decide on the injunctions that have been filed in favor of Ferreira and his son is working on the case, and perhaps he has already adopted a decision.

[Reporter] Doctor: Has the request to lift the judicial recess been accepted?

[Cabanal] No, no I have already said it was not accepted. The request was turned down simultaneously with the petition for Ferreira's release on bail. [end recording]

MILITARY SOURCES ON POLITICAL PRISONERS' RELEASE

PY100134 Madrid EFE in Spanish 2102 GMT 9 Jul 84

[By Martin Cabral]

[Text] Montevideo, 9 Jul (EFE) -- EFE has learned from military sources that most Uruguayan political prisoners could be released within a few months, but that those charged with homicide will "irreversibly pay for their crimes." The subject of an amnesty for prisoners could be discussed during the democratization talks under way between the Armed Forces and the political parties. All the political parties are participating in the talks, except for the National (Blanco) Party, which will not do so until its leader, Wilson Ferreira, is released. The subject of political prisoners was brought up during the first round of talks.

Colorado Party Secretary General Julio Maria Sanguinetti has disclosed official figures on the number of prisoners that were provided by the military junta, which is made up of the three commanders in chief. At the end of the fight against the Tupamaro guerrilla movement in the 1970's, there were 2,872 prisoners, according to official figures. Of these, 764 are still in jail, including 605 men and 69 women. A total of 80 prisoners were released last year. Today, the government disclosed that an appellate court has handed down unappealable sentences against three Tupamaro leaders. They are Marcos Mauricio Rosenkopf Zilberman, Henry Willy Engler Golevchenko, and Julio Angel Marenales Saenz. Rosenkopf and Engler have been sentenced to 30-year prison terms and Marenales to a 28-year term. All three have received supplementary sentences that deprive them of their rights for terms ranging from 10 to 15 years. The convicts have been charged with homicide, "criminal conspiracy," attacks against the Constitution, and robbery, among others.

Meanwhile, a delegation of Latin American legislators, union leaders, and members of human rights commissions has arrived in Montevideo to study the status of the political prisoners, particularly of National Party leader Wilson Ferreira. Reliable political and military sources have confidentially told EFE that undoubtedly some kind of an amnesty will be negotiated in order to "put the democratization process on a sound footing." However, the military has indicated that from 80 to 100 prisoners charged with homicide will not leave jail and will serve their prison terms, which are the longest and last as long as 40 years. Courts of law could review these sentences after democracy is restored, but everything indicates that the Uruguayan democratization process will be negotiated and that the military will end up having certain prerogatives that they did not enjoy before 27 June 1973.

OFFICIAL ON COLOMBIAN SEA EXPLOITATION PROPOSAL

PA111550 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 11 Jul 84

[Text] Caracas -- Acting Venezuelan Foreign Minister German Navas Carrillo has expressed his hope that an agreement will be reached with Colombia on the delimitation of sea and undersea areas during the present Venezuelan Administration.

Navas Carrillo's widely reported comment was made in response to a proposal advanced by Colombian President Belisario Betancur during an interview published yesterday in the newspaper EL NACIONAL.

The Colombian president proposed the creation of a binational company to exploit the hydrographic basins and oilfields shared by the two countries.

I read President Betancur's comments with great attention, Navas Carrillo said. He added that there is already an ongoing process of cooperation between Venezuela and Colombia, with great joint progress being made in the sugar industry.

Referring specifically to the delimitation of sea and undersea areas, he emphasized that the two countries are very interested in reaching a settlement that is in line with and respectful of the aspirations of both peoples. Therefore, he added, we can only share the Colombian president's optimism in that regard.

BRITO VIEWS ARMED FORCES DEFENSE POLICY

PA120412 Caracas Radio Rumbos Network in Spanish 2100 GMT 11 Jul 84

[Defense Minister Andres Brito Martinez, interviewed by Luis Alberto Gomez; date, place not given -- recorded]

[Excerpt] Vice Admiral Andres Brito Martinez, Venezuelan defense minister, said that the Venezuelan Armed Forces prefer the persuasive dialogue method to the use of force. In an interview with Defense Minister Brito Martinez in which he referred to a report that Venezuela has more arms than it really needs for the country's defense and security system, Brito said:

[Begin recording] [Brito] This might be true in peace time, but not if we were to have a war.

[Gomez] What is Venezuela's policy in regard to the military aspect?

[Brito] Ours is a policy of dialogue. In the past there may have been some unjustified military purchases, but that is not the case now.

[Question indistinct]

[Brito] We are definitely in shape to defend the country and its institutions in peace time.

[Gomez] What are the circumstances surrounding the incident in which national guardsmen were involved along the border with Colombia in Arauca?

[Brito] The information we have is that a group of smugglers fired shots at National Guard members who returned the fire. It was a group of common criminals.

[Gomez] According to reports, the attack came from Colombian authorities?

[Brito] No, we do not have any reports involving the Colombian security forces in this attack. [end recording]

DISIP CONDUCTS RAIDS; WEAPONS, REBELS FOUND

PA101745 Caracas EL UNIVERSAL in Spanish 30 Jun 84 p D32

[Article by Carlos Castillo]

[Text] More than 30 people were arrested in a gigantic operation carried out by the authorities to dismantle a criminal organization composed of former guerrillas and common criminals.

This was reported yesterday at the Directorate of Intelligence and Prevention Services [DISIP] which added that the action is part of a new phase of "Security 84" plan that includes other police organizations.

The DISIP disclosed that a large quantity of weapons, bullets, military uniforms and subversive posters and propaganda were found in the raids. In addition, five people were arrested. These persons have a long history of subversive activities and were connected with a criminal band.

They are Alvaro Carrera Risquez, known as "Joaquin;" Sonia Josefina Cordoves Villarroel, his mistress who, according to the police, is very much involved in the activities he carried out; Henry Antonio Navas Nieves, alias "Spaguetti," who has a record of military rebellion, kidnapping, bank holdups, and homicide, and was a prisoner at San Carolos garrison; Romulo Manuel Figuera Parima, accused of participating in the attack in Maracay, a crime attributed to the Tupamaros; and Nelson Bracca Martinez, accused of damaging private property, drug trafficking and subversion.

The raids were conducted in Caracas, where a large quantity of weapons were found, as well as in Cumana, Maracaibo, Valencia, Barquisimeto, and Maracay.

The action was carried out in a synchronized manner on Thursday night and lasted until early Friday. DISIP troops, supported by the Judicial Technical Police [PTJ], and the Metropolitan Police, participated in the operation. The raids in the metropolitan area were conducted in La Urbina, El Marques, and El Paraiso.

Regarding prisoner Carrera Risquez, accused of rebellion, DISIP reported that he served time at the San Carlos garrison and also at the La Pica prison. When he was released from jail he joined the Sandinist army and participated in the war against the dictatorship of Anastasio Somoza. He has traveled to Cuba, the USSR, and other socialist countries. Police noted that when he returned to the country he devoted himself to giving political and military advice to various subversive groups. He is also accused of supplying arms to subversive groups having ties with common criminals to hold up banks and businesses.

ENERGY SECRETARY ON OIL PRICE REVALUATION

FL092328 Mexico City NOTIMEX in Spanish 1525 GMT 9 Jul 84

[Text] Mexico City, 9 Jul (NOTIMEX) -- Secretary of Energy, Miners, and Parastatal Industry Francisco Labistida Ochoa today spoke in favor of revaluing the price of oil in order to seek an equilibrium between supply and demand on the international market.

Returning from a tour of the UK, Algeria, and the GDR, he explained that Mexico is defending the position of maintaining its real buying power in the face of possible price increases. This implies the need for an oil price increase, which would allow greater foreign exchange earnings without depleting the country's energy resources or limiting the possibilities of national development. He said the opinion that the price of crude needed to be raised is shared by Latin American oil exporters (Ecuador, Mexico, Trinidad and Tobago, and Venezuela). It is also being considered more and more other countries.

He said the objectives of his trip had been completed with the establishment of an exchange of studies and information on petroleum policy, particularly with Algeria and the UK. He said some agreements were also reached on possible resolutions to be adopted at the OPEC meeting that will be held in Vienna today. He reported that Eliseo Mendoza Berrueto, Mexican deputy secretary of energy, will attend that meeting as an observer because he has held talks with representatives of OPEC member countries.

On other matters, Labastida indicated that if Mexico encounters problems selling steel to the United States, it would sell its entire production to Algeria, because of an attitude of solidarity and cooperation among developing countries.

Regarding overproduction in the international petroleum market, which has reached 1.5 million barrels per day, he requested appropriate action by all crude oil exporting countries and he referred to the programs of energy saving, productivity, and development between Mexico and the GDR.

Labastida noted the support and encouragement of the three countries. He added that because of the success of the GDR's energy policy that country's experiences would surely be advantageous to Mexico.

LABASTIDA SAYS ECONOMIC POSITION IMPROVING

FL110120 Mexico City NOTIMEX in Spanish 2330 GMT 10 Jul 84

[Excerpt] Mexico City, 10 Jul (NOTIMEX) -- Secretary of Energy, Mines, and Parastatal Industry Francisco Labistida Ochoa today said that Mexico will have enough foreign currency to meet its foreign debt obligations and its import needs and to consolidate its international monetary reserves.

Speaking before President Miguel de la Madrid, the official also said that from a current accounts deficit of $5 billion in 1982, we attained a surplus of the same amount by 1983 and as of the first quarter of this year the country has $2 billion available.

Shortly before the president closed the 40th meeting of the Mexican Mining Chamber, Labastida Ochoa stated that the country has paid the very heavy costs of the crisis and is beginning to feel positive results from the sacrifices by the entire society.

The secretary said Mexico's nonpetroleum exports had grown by nearly 50 percent in recent months, besides the current accounts surplus mentioned earlier, which guarantees sufficient resources to meet international obligations. He also predicted the continuation of the systematic decline in the rate of price increases at levels below 80 percent, the 1983 rate. Saying that public finance had improved substantially, Labastida Ochoa said the country has paid high costs to reduce inflationary pressures and to adjust the Mexican peso to the realistic exchange rates demanded by the complex and changing international economic system, but the results are visible.

FRG'S CHANCELLOR HOLDS PRESS CONFERENCE

LD112259 Hamburg DPA in German 2132 GMT 11 Jul 84

[Text] Mexico City, 11 Jul (DPA) -- In the worlds of Chancellor Helmut Kohl, the talks with Mexican President Miguel de la Madrid have "opened up new perspectives for German foreign policy." Chancellor Kohl said this at a press conference in Mexico City today after his second political exchange of views with his Mexican host. Latin America, Central America, and Mexico were natural friends and partners of the Germans. "We will make an effort to promote this in the future, a policy of reason and a policy of sympathy," the Chancellor said. The traditionally good relations between the Germans and Latin America have to be rediscovered, Kohl said, and, on behalf of FRG President Richard von Weizsaecker, he invited the Mexican president to visit the FRG.

In reply to a question about whether he had changed his view on American policy in Central America while in Mexico, he said that he would talk over his new experiences with his friend, U.S. President Ronald Reagan, "and I believe that it will not be wholly without effect." The nature of friendship was that one could say what one thought and not what others wanted to hear.

The chancellor named 21-22 September as a possible date for the conference of foreign ministers from Central America and the Contadora Group (Mexico, Colombia, Panama, and Venezuela) and of the EEC, as well as Spain and Portugal, to take place in Costa Rica. The conference is to discuss possibilities of aid for the region. He and his Mexican host agreed that the increase in conflicts in the world is worrying. Only dialogue and negotiations, and not force, could remove the conflicts. This is also true of Central America, Kohl stressed.

A central theme of the talks in Mexico, from which Kohl leaves early on Thursday after 4 days, was the debt problem which was not simply a finance question but a "grave human and social problem." He repeated his opinion that debtor states could be helped in their own efforts. Economic cooperation between Mexico and the Federal Republic should be increased, said the Chancellor. Mexico also affirmed its great interest in this. Increased efforts in this provide an excellent opportunity to (?contribute) to development in Mexico. He said that the existing investment law, which envisages a majority of Mexican capital, left "a door open for pragmatic solutions." He particularly supported giving medium-sized firms the opportunity to invest in Mexico.

Kohl defended the Christian Democrat president of El Salvador, Jose Napoleon Duarte, whose scars from torture, inflicted by right and left-wing radicals, showed his support for democracy and pluralism. Kohl called the remark made by Nicaraguan Junta Coordinator Daniel Ortega that the Federal Government was an "accomplice of the criminal policy" of the United States an insult which had nothing to do with reality. First Ortega must give some proof that he was serious about pluralism. "If the proof is forthcoming, then I am quite prepared to give that specially favorable mention at my next press conference in Mexico City," Kohl said.

REPORTAGE ON DRUG TRAFFICKING ISSUES

Attorney General on Colombians' Meeting

PA111410 Panama City STAR AND HERALD in English 11 Jul 84 p 1

[Text] Panama's Attorney General Isaac Chan Vega yesterday branded as "a disrespect for our sovereignty" a meeting allegedly held in Panama recently by Colombia's Attorney General Carlos Jimenez Gomez and several narcotics kingpins.

Chan Vega stressed that he knew nothing of the meeting, as first disclosed in a dispatch out of Colombia.

"I understand this report came as a surprise to the authorities here. No one knew anything. At least I didn't," he said.

The attorney general said it would have been difficult for authorities to keep a check on the underworld figures, without first having had a line on them, because of the many flights coming in daily through the various international airports.

According to the Colombian dispatch, that nation's attorney general came to Panama specifically to meet with several top Colombian drug traffickers, to reach an agreement whereby they would dismantle their operations in that country, in exchange for a full pardon by the government.

MOLIRENA Communique

PA081718 Panama City LA PRENSA in Spanish 8 Jul 84 p 8C

[Text] The Political Commission of the Nationalist Liberal Republican Movement (MOLIRENA) yesterday demanded an immediate and complete investigation into the scandalous incidents that have taken place in the last few weeks, which link our country to international drug trafficking and were motivated by disclosures from official sources.

In a communique sent to this newspaper, the commission states that it is not enough to give vague explanations and promise to conduct investigations that can never have positive results, because national and international public opinion are aware of the complicity of Panamanian officials in the drug trafficking, a fact that has been accepted by the Defense Forces.

Further on, the communique indicates that, just as the Panamanian military men participated actively and directly in the electoral frauds committed in May and June, they are now implicated in these grave narcotics cases, which is incompatible with the huge responsibility of defending the Panama Canal and the national sovereignty and integrity.

GENERAL NORIEGA VISITS UNITED KINGDOM

For LA ESTRELLA DE PANAMA and other reportage on the visit to the United Kingdom by Manuel Antonio Noriega, commander in chief of the Defense Forces, see the United Kingdom section of the 5 July Western Europe DAILY REPORT and subsequent issues.

COSTA RICA

EL SALVADOR'S TENORIO ON CONTADORA, GUERRILLAS

PA110354 San Jose Radio Reloj in Spanish 0100 GMT 11 Jul 84

[Text] This afternoon, Salvadoran Foreign Minister Jorge Eduardo Tenorio said that his government has nothing but good will for the Contadora process. He said that President Jose Napoleon Duarte has indicated that all hope of achieving regional peace, democracy, and stability rests with Contadora. Foreign Minister Tenorio said that, as a new government, they have been studying and analyzing the Contadora document. As a result, a public statement expressing the Salvadoran Government's general position was released. Further observations will subsequently be issued.

El Salvador is seeking to establish, as soon as possible, a democracy based on respect for life and peace, a democracy just like Costa Rica's, Foreign Minister Tenorio said. He expressed the Salvadoran Government's admiration for Costa Rica's democracy, which is the oldest in the region, very well consolidated, and the subject of world recognition.

He said that another area in which his country agrees with Costa Rica's position is economics. Tenorio said this area cannot be ignored, since the two countries are both part of an integrative system, the Central American Common Market, even though it is not operating as intensely as might be wished.

With President Jose Napoleon Duarte's assumption of office, a change in the way of life in El Salvador is noticeable, Foreign Minister Jorge Eduardo Tenorio said this afternoon. Tenorio commented that domestically, President Duarte's inauguration means that the people's will, as expressed through the ballot boxes, has been honored, and that dialogue, human rights, and all legal guarantees are not respected, which is a source of great satisfaction.

On the issue of dialogue with the Salvadoran guerrillas, Tenorio said that President Duarte is willing to hold a dialogue with them, but without weapons and only as long as his status as the legitimate leader of El Salvador is respected.

The minister expressed El Salvador's support for a meeting with European foreign ministers in Costa Rica. In the talks held by Salvadoran Foreign Minister Tenorio and Costa Rican Foreign Minister Carlos Jose Gutierrez, El Salvador's effective support for this meeting of EEC foreign ministers in September was discussed.

Among other things Tenorio said that El Salvador is experiencing an escalation of violence that has become extreme, ruining the country's productive apparatus, and that Nicaragua has had a good deal to do with this. Questioned about this, Tenorio explained that it is evident that the weapons for the guerrillas arrive directly from Nicaragua and he recalled that the FSLN has publicly expressed its support for the insurgent groups in his country.

REPORTAGE ON GOVERNMENT STANCE ON SHIP ISSUE

Solano: No Unloading Explosives

PA110416 San Jose Radio Reloj in Spanish 0100 GMT 11 Jul 84

[Text] Public Security Minister Angel Edmundo Solano Calderon this afternoon said that his decision to prohibit the unloading of 14 containers of dynamite consigned to the Nicaraguan Government in Puerto Limon will stand.

The Panamanian-registered ship, Freedom, sailed from San Juan, Puerto Rico with its shipment of explosives, including 14 containers containing 253,560 kg of dynamite. Only 3 of the total of 17 containers are consigned to a Costa Rican firm, the Lodos Industriales company, with offices in El Zapote. Solano Calderon said that the three containers can be unloaded and that the ship can then be refueled and set sail for Nicaragua or any other country. The security minister added that several factors preclude authorizing the unloading of dynamite from the Freedom in Puerto Limon. He specified some of those factors. First of all, this is a very dangerous shipment that could lead to terrorist actions by any of the opposing groups in Nicaragua. From a domestic point of view, it is not advisable to provoke a situation that could lead to an internal uproar from both the right and the left. He said that the ship has already created verbal confrontations in Costa Rica, when it was said that the dynamite was intended for the Nicaraguan counterrevolutionaries and the local communists protested. Now that it is being said that the dynamite is for the Sandinist government, they say it is not dangerous. Solano Calderon commented that other sectors have been guilty of the same kind of incongruity.

Authorization To Dock Refused

PA120323 San Jose Radio Reloj in Spanish 0100 GMT 12 Jul 84

[Text] This afternoon Costa Rican Foreign Minister Carlos Jose Gutierrez sent a note to his Nicaraguan counterpart Victor Hugo Tinoco [as heard] advising him that the Costa Rican Government maintains its stance of not allowing the Freedom to dock. Gutierrez informed Tinoco that following a careful examination of the matter, the Costa Rican Security Council decided against allowing the unloading and entry to the country of the 14 containers packed with explosives and accessories which his government would use for the mining industry.

Foreign Minister Gutierrez informed Foreign Minister Tinoco [as heard] that if the shipment is transferred by land it could suffer some damage, because of what has been reported about the contents and future use of this shipment. Foreign Minister Gutierrez has said that the Puerto Rican political groups and the Costa Rican political groups, who are very friendly with the Sandinist government, have created a sensationalist atmosphere in regard to the shipment. Therefore, unloading the shipment in Puerto Limon and transferring it to Nicaragua by land could lead to some action against the shipment and this would endanger the towns along the way.

EL SALVADOR

ARMY, GUERRILLA OPERATIONS ON ROADS, FIGHTING

Army To Increase Patrols

PA112146 San Salvador LA PRENSA GRAFICA in Spanish 10 Jul 84 pp 2, 54

[Excerpts] The Armed Forces General Command has alerted all the country's garrisons to increase surveillance and patrol activities along the nation's highways to safeguard commercial, tourist, official and private vehicles, which have been threatened by the FMLN-FDR. This information was provided by a ranking military officer questioned about a possible threat by the FMLN-FDR, which announced over Radio Venceremos that as of 1800 yesterday it would bring traffic to a standstill in the nation. Bus owners have asked the government to guarantee the safety of their vehicles in view of the FMLN-FDR terrorists' threat to bring traffic to a standstill.

The same groups that make up the FMLN-FDR have also announced the resumption of extremist activities as of 1800 on 9 July. They said that these actions were to be implemented nationwide. The government intelligence services have discovered that the terrorists' objectives are to transfer weapons, change positions, carry out infiltrations from Nicaragua, and engage in other activities which would not be possible under normal conditions.

The Army will carry out intensive air and land patrolling activities in search of roadblocks set up by the rebels to stop vehicles so that the passengers and drivers can be robbed of their money and valuables, and the vehicles then set on fire. Military spokesmen said that motorists and passengers of all types of vehicles should feel safe because all of the nation's highways will be under surveillance.

Train Derailed

PA112338 San Salvador Radio Cadena YSU in Spanish 1645 GMT 11 Jul 84

[Excerpts] At approximately 1930 yesterday on km 275 of the railroad 1 km ahead of the Guazapa station on the way to San Salvador, a train derailed after it apparently touched off a mine planted by alleged leftists operating in the Guazapa area. It has been learned that this train was traveling from Metapan to San Salvador carrying 400 tons of cement. Sources have confirmed to this radio station that the train was unguarded and that the crew of six did not suffer any personal harm when the train derailed. The train consisted of 12 cars, but only the locomotive derailed.

This morning National Salvadoran Railroad repair crews were sent to the site. These crews are working quickly in order to repair the damage caused by the derailment of the locomotive and some forward cars [as heard]. It is hoped that normal rail traffic will be restored in the sector during the day.

In addition, military sources have confirmed to this radio station that terrorists machinegunned a Rosibel enterprise bus between San Miguel and San Salvador near Mercedes Umana, and that five people were seriously wounded as a result of this attack by leftists operating in the Pan-American highway area, particularly in the Usulutan sector. As you may remember, the terrorists announced through their official voice, a clandestine radio station, that they forbade all vehicle traffic as of approximately 1800 Monday.

Coprefa on Attack on Bus

PA120039 San Salvador Radio Cadena YSU in Spanish 1800 GMT 11 Jul 84

[Armed Forces Press Committee, Coprefa, communique issued in San Salvador -- date not given]

[Text] In a vandal-like action, FMLN terrorists machinegunned a bus yesterday, seriously wounding five people. The Rosibel enterprise bus on the San Miguel-San Salvador route was machinegunned near Santa Anita Canton in the Mercedes Umana jurisdiction in Usulutan Department. The victims, some of them seriously wounded, were later taken to a clinic. In addition, the rebels machinegunned a pickup truck on the Pan-American Highway near Santo Domingo in San Vicente. No information has been released on possible victims.

Chalatenango, San Miguel Clashes

PA120016 San Salvador Radio Cadena YSU in Spanish 1645 GMT 11 Jul 84

[Excerpts] Military sources reported yesterday that civil defense members of Nueva Concepcion in the northern Department of Chalatenango clashed with leftists, resulting in the death of three extremists. Government forces suffered no casualties.

Unofficial sources have reported from San Miguel that Army troops of the 3d Infantry Brigade's Cuscatlan Battalion carried out an operation in San Luis de la Reina suffering at least six casualties, including one dead and five wounded. It was learned that the losses were caused by the explosion of a claymore mine planted by extremists. The exact location of the incident was Potrerillo Blanco near the Los Laureles turnoff, San Luis de la Reina jurisdiction in the north of San Miguel.

FMLN Actions in San Salvador

PA120047 San Salvador Radio Cadena YSU in Spanish 1800 GMT 11 Jul 84

[Text] The FMLN has reported on revolutionary actions in San Salvador via a telephone call to this radio station. The informant said that during the new political and military campaign, FMLN urban commandos carried out the following actions between Wednesday, 4 July, and Tuesday, 10 July.

On 4 July, FMLN commandos blew up two telephone booths in the Libertad neighborhood. On 6 July, they dynamited a telephone booth in the Flor Blanca neighborhood and five posts carrying high-tension wires between Apopa and Nejapa on the Northern Trunk Highway. Four other posts were destroyed yesterday: two in the Escalon neighborhood, one on the street leading to San Antonio Abad near the 2 April neighborhood, and the fourth near the energy substation in the Miravalles neighborhood. The report also added that another telephone booth was destroyed on Army Boulevard near the Adoc manufacturing plant.

Meanwhile, the FMLN communique indicated that it has carried out an intensive propaganda drive in San Salvador neighborhoods. This has been part of the communique made known to this radio station a few moments ago via telephone by a person who identified himself as an FMLN member.

VENCEREMOS ON CLASHES IN SAN MIGUEL, USULUTAN

PA110434 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 Jul 84

[Text] Here is a report from northern San Miguel Department. Attention. We are advised that our revolutionary units have clashed with enemy troops belonging to the Cuscatlan Battalion of the 3d Infantry Brigade, commanded by criminal Domingo Monterrosa, who were advancing on Portillo Blanco at the Los Laureles turnoff, in the San Luis de la Reina jurisdiction of northern San Miguel Department. As a result of this action, the enemy suffered six casualties, one dead and five wounded.

On 3 July, the dictatorship's Army began an operation in the area of San Agustin Tres Calles, in Tierra Blanca, Usulutan Department. Units from the specialized Atlacatl, Atonal, and Bracamonte Battalions, all of which belong to the 6th Infantry Brigade, based in Usulutan, are participating in this operation.

From Tres Calles, our companeros have reported that in the 8 days of this campaign, the enemy units have sustained a daily average of three to five casualties in clashes with our revolutionary army and from our revolutionary mines. Our companeros have reported that thus far the enemy's Army has suffered 26 casualties, including dead and wounded. The report received from San Agustin-Tres Calles indicates that the Atonal Battalion troops have suffered 14 casualties and that the Bracamonte Battalion has sustained 8 dead and wounded. The other enemy units, the Atlacatl Battalion and other units of the 6th Infantry Brigade, have also suffered several dead and wounded, for a total of 26 casualties, including dead and wounded, suffered by the dictatorship's troops during their 8 days of operations in the Tres Calles region of Usulutan Department. Our companeros have reported that only one combatant from our forces has been slightly wounded.

GUATEMALA

PARTY SEAT DISTRIBUTION IN ASSEMBLY REPORTED

PA111936 Guatemala City PRENSA LIBRE in Spanish 6 Jul 84 p 2

[Text] A total of 1,855,619 voters participated in last Sunday's nationwide elections, according to the information supplied last night by the Supreme Electoral Tribunal's computer center.

The figure includes the results of 4,090 electoral tables, where the voters deposited the ballots that gave 22 seats to the Christian Democratic Party, 22 seats to the Union of the National Center, and 21 seats to the National Liberation Movement-Nationalist Authentic Central coalition. At the same time, the Revolutionary Party won 10 seats; the National Renovating Party, 5 seats; the Democratic Institutional Party, 5 seats; Anticommunist Unification Party, 1 seat; National Unity Front, 1 seat; and the Peasant Organization for Social Action, 1 seat. Arturo Herbruger Asturias, president of the Supreme Electoral Tribunal, said that the legal documents will be issued before 15 July.

BRIEFS

PRESIDENTIAL CANDIDATE -- It was officially announced at a press conference yesterday that Mario Sandoval Alarcon will be the presidential candidate for the united right wing in Guatemala constituted by the National Liberation Movement-Nationalist Authentic Central coalition. [Excerpt] [Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 7 Jul 84 PA]

HONDURAS

OFFICIALS DISCUSS CHANGES IN U.S. AGREEMENTS

PA111637 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 11 Jul 84

[Text] Top-ranking Honduran Government officials and Armed Forces officers met today to discuss modifying the bilateral agreements with the United States that will be considered by the National Security Council in the next few days. The meeting took place in the Armed Forces General Staff building. The government was represented by Carlos Flores, minister of the presidency, and Edgardo Sevilla Idiaquez, secretary of the Higher Council of Economic Planning.

The final document that is currently being drafted by special commissions will be discussed by the National Security Council over the next few days and then presented to the U.S. Government. Increased education, economic, and military aid will be demanded from the United States in line with the present government's new foreign relations policy.

NUNEZ ON SIMPSON-MAZZOLI BILL, LABOR ISSUES

PA112310 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 11 Jul 84

[Labor Minister Amado H. Nunez interviewed by journalist Douglas Membreno on 10 July at the Presidential Palace -- recorded]

[Text] [Nunez] There have been some occasional dismissals, but this is normal. There have been no mass dismissals. Some four or five workers were dismissed in Danli Department because the packing company was experiencing problems because of the meat supply difficulties we are currently facing in Catacamas. Apparently, the packing plant in Catacamas wanted to reduce its personnel by 50 percent; however, this is pending a government ruling since we must protect the workers and adopt certain measures for the packing plants and cattle breeders.

[Membreno] Regarding the applications for a temporary closure of operations, what is the current situation?

[Nunez] In fact, we currently have no applications for temporary closure of operations. The last ones we received came from the sugar mills on the northern coast which had to close due to heavy rains. Since then, we have received none.

[Membreno] Could this be considered a sign that these companies' economic situation has slightly improved?

[Nunez] I would not say that it has improved, but there is a temporary stability. However, there are signs that this might worsen if the economic situation does not improve.

[Membreno] Radio America has reported the possibility that the United States will enforce what is known as the Simpson-Mazzoli bill. This means that approximately 50,000 Hondurans would lose their jobs in that country and return to Honduras, thus worsening the current situation. What is your viewpoint on the enforcement of this law and its consequences?

[Nunez] I have learned about this new U.S. bill regarding all immigrants from the radio and newspapers. We do not know how much about this bill is true or when the U.S. Government will start expelling people. Of course, if these Hondurans return to our country it would represent a serious problem. Since we are already facing the problem of being unable to provide jobs for all Hondurans, the arrival of these people would worsen our country's existing problem.

EL SALVADOR SAID DELAYING BORDER SETTLEMENT

PA112235 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 11 Jul 84

[Commentary by Rodrigo Wong Arevalo: "Border Delimitation Will Take Forever"]

[Text] Radio America's editorial segment is compelled to insist on the delimitation of our border with El Salvador. We are increasingly convinced that we are correct in believing that the Salvadorans have no intention of resolving the border conflict.

Furthermore, all of their promises are nothing but a tactic to delay the issue, with which the Salvadorans have been swindling Honduras. The discussion of this topic is a must for any Honduran who is concerned about the delay in resolving the border dispute. We have been compelled to refer to this topic because of the recent visit by new Salvadoran Foreign Minister Jorge Eduardo Tenorio.

Displaying classic diplomatic charm, he was cynical enough to attempt putting up a smokescreen on the border dispute. The new Salvadoran foreign minister asserted that the border delimitation is progressing, but he did not say how it is progressing. It is evident that the Salvadorans are not interested in a quick solution to the border delimitation problem. All Hondurans should be concerned about this because, and we insist on this, our potential enemy in the area is still the Republic of El Salvador because of its small geographic size, its oversized population, and its current situation -- worsened by its multiple internal problems. This situation has worsened because of the most recent threat looming over El Salvador: the return of approximately 500,000 Salvadoran citizens living illegally in the United States. It is taken for granted that they will be deported under the provisions of the Simpson-Mazzoli bill. It is possible that these Salvadorans will not want to live in El Salvador because of the uncertain situation in that country; therefore, the easiest solution would be to come to Honduras.

Foreign Minister Tenorio is trying to coat our pill in the most ingenious way; however, he lacks the intelligence to convince us. Foreign Minister Tenorio said that even though the principle of not giving up an inch of their territory is included in their new Constitution, this will not represent an obstacle to delimiting the common border with Honduras. Foreign Minister Tenorio is very candid; he is trying to make us believe that Jose Napoleon Duarte's new regime has no intention of respecting their new Constitution, which maintains their traditional principle of not allowing a reduction in Salvadoran territory. This principle is, and has always been, the key to precluding any possibility of reducing their already small territory.

This ruse of delaying the border delimitation is nothing new. We only have to review our files and records to ascertain that the Salvadorans want to get the world's approval so that their small geographic size may some day grow at the expense of their neighbors' territories. The Salvadorans have no problem with Guatemala because -- fortunately for the latter -- El Salvador's border with Guatemala is its smallest and they already have a clearly defined border. However, El Salvador's border with Honduras is its longest and its widest and the lack of defined limits will allow the possibility of increasing their territory some day.

We repeat: The Salvadorans have no problem with Guatemala because -- fortunately for the latter -- El Salvador's border with Guatemala represents its smallest and they have a clearly defined border. However, El Salvador's longest, widest border lies next to Honduras and the unclear delimitation of this border allows, according to them, the possibility of increasing their territory some day.

It is quite evident that the Salvadorans are mocking the peace treaty which was attained through the endeavors and mediation of the illustrious Peruvian diplomat, Jose Luis Bustamante y Rivero. The treaty states that the border conflict must be resolved between the two states. However, if no solution is achieved within a 5-year period, the two states must resort to an international court of justice to define the border problem. When the treaty's documents were deposited and ratified in Washington, the Salvadorans vehemently swore that a solution would be achieved within those 5 years. They implied that the border delimitation would be concluded in a direct negotiation before the 5 years elapsed. We never believed for a minute that the Salvadoran jurists' pledge was sincere because we knew that they were just saying this while insulting us.

The deadline stipulated by the peace treaty expires next year and the Honduran people have to realize that the Salvadorans will use their best ruses to prevent a direct solution until the last minute because they know that their interests are better served by resorting to an international court. Therefore, what new Foreign Minister Tenorio said is not true. The new foreign minister is so lacking in intelligence that he believes he can come and sweeten us up with white lies. He has been cynical enough to say that the two countries had better unite against their common enemy. We ask: What common enemy? As long as we do not delimit our border, Honduras' common enemy -- before any other country -- will always be El Salvador.

El Salvador will always dump its problems on us, using the excuse that our border delimitation is not complete. For example, the Honduran Armed Forces must guard a border that is bristling with rebels and soldiers. The Honduran people must be made aware of a truth: The common border has been delimited in small portions. When Colonel Cesar Elvir Sierra was our foreign secretary, the press was shown the map being used to delimit the border. We cound see that two-thirds of the border had been negotiated and accepted by the two countries. However, the dispute was mainly centered on certain well-known plots of land. We think that greater progress was achieved then, not now. When we recently heard the Honduran Foreign Secretariat's advisers say that the negotiations are progressing, we felt that the truth is that they have reached a complete stalemate.

Little or nothing has been achieved since Colonel Elvir Sierra was our foreign secretary. The Salvadorans increasingly use new tactics to delay things such as sending new commission members to the latest meetings. They use the excuse of not knowing what their predecessors have done and thus play for time. We believe that Honduras must establish a strict precedent to prevent the Salvadorans' tricks and delays. We do not fear an international court ruling but, since Honduras is currently giving so much to El Salvador, such as lending our territory to train its soldiers, our demand that they accept a direct border delimitation and reach an agreement between the countries is a small thing in comparison. The two countries should reach an agreement regarding these plots of land. After all, some of the plots are inhabited by Salvadorans and others are inhabited by Hondurans. Therefore, the most appropriate thing should prevail in this concern: The border land controlled by El Salvador should be considered Salvadoran territory and the border land which has been traditionally marked as Honduran territory should be respected as such. Why extend this dispute if resorting to an international court would only represent millions in expenses that these poor, miserable countries cannot afford to squander?

However, if the dispute is not resolved or if Honduras does not exert pressure for a prompt delimitation, the Salvadorans will continue to carry out their plans and achieve their goals. They are capable of delaying this dispute forever.

NICARAGUA

RADIO SANDINO ON U.S. ACCEPTANCE OF NEW AMBASSADOR

PA111611 Managua Radio Sandino Network in Spanish 1200 GMT 11 Jul 84

[Text] The U.S. Embassy has informed the Junta of the Government of National Reconstruction that the U.S. Government has accepted the appointment of Carlos Tunnerman Bernheim as the new Nicaraguan ambassador to the United States. In announcing Tunnerman's appointment, the FSLN National Directorate and the Junta of the Government of National Reconstruction expressed their appreciation for the meritorious work he has carried out as education minister since the triumph of the Sandinist people's revolution.

The appointment of this competent official to the embassy in Washington once again shows the Nicaraguan Government's interest in making every effort toward the restoration of normal relations with the U.S. Government, which must be based on a strict compliance with the right to self-determination and the independence of the Nicaraguan nation.

The FSLN and our government hope that Tunnerman's work in the United States will contribute to enlightening the U.S. Congress and people about the Sandinist people's revolution -- an authentic process of our nation — that is threatened by the aggressive policy of the current U.S. Administration.

Tunnerman will be the fifth ambassador of revolutionary Nicaragua to the United States and it will be his first experience in a diplomatic field at that level. Tunnerman has previously served as secretary general of the Central American University Council headquartered in Costa Rica and as rector of our National Autonomous University. He devoted his high intellectual and working capacities to both these jobs.

DANIEL ORTEGA MEETS WITH U.S. CONGRESSMEN

PA111502 Managua Radio Sandino Network in Spanish 1200 GMT 11 Jul 84

[Text] Nicaragua is willing to engage in a dialogue without compromising our national sovereignty, Commander Daniel Ortega has stated after talks with eight U.S. congressmen who are visiting Nicaragua. The congressmen are members of the Investigations Subcommittee of the House's Armed Services Committee.

Commander Julio Ramos, chief of military intelligence of the Sandinist People's Army, explained to the congressmen the aggression that the Nicaraguan people are suffering because of the financing and orientation of the war imposed by the Reagan administration.

Further Report

PA112306 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 11 Jul 84

[Text] Commander of the Revolution Daniel Ortega Saavedra, coordinator of the Junta of the Government of National Reconstruction, has received a group of U.S. congressmen. The delegation is headed by Bill Nichols, chairman of the Investigations Subcommittee of the House Armed Services Committee, and made up of six other members of the House of Representatives.

During the meeting held at the Cesar Augusto Silva Convention Center, Commander Ortega reiterated Nicaragua's willingness to hold talks with the United States based on the respect that our people and their revolution deserve.

During this meeting, which also included Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco, the coordinator of the Junta of the Government of National Reconstruction stressed the need for peaceful negotiation to end the Reagan administration's attacks on our country.

Commander Daniel Ortega stressed those attacks. However, despite them, he said, our government strives to reach a political solution to our problems. Precisely because our government follows that policy of talks, Nicaragua has begun talks aimed at establishing the bases for negotiation, Ortega said.

MOSCOW WEEKLY INTERVIEWS ORTEGA ON DOMESTIC TOPICS

For a Moscow NEW TIMES interview with Daniel Ortega, conducted during his visit to Moscow in June, see pages K 1-4 of the 12 July Soviet Union DAILY REPORT.

RAMIREZ ON VISIT TO PANAMA, VENEZUELA, COLOMBIA

PA111804 Managua Radio Sandino Network in Spanish 1200 GMT 11 Jul 84

[Text] Sergio Ramirez Mercado, member of the Junta of the Government of National Reconstruction, has characterized the talks he held yesterday with Venezuelan President Jaime Lusinchi and Panamanian President Jorge Illueca as successful, fraternal, and cordial. During the talks, Ramirez Mercado informed the two presidents about the Nicaraguan Government's position on the Contadora Group document, the Central American situation , and the aggression that the Nicaraguan people are enduring. The following is an exclusive interview from Caracas, Venezuela, with Sergio Ramirez Mercado.

[Begin recording] [Unidentified reporter] How do you view the talks you held yesterday with Panamanian President Jorge Illueca and Venezuelan President Jaime Lusinchi?

[Ramirez Mercado] We have used the first part of this intense and rapid trip to meet with the presidents of Panama and Venezuela. In the morning we met in Panama City at the Palace of The Herons with President Illueca, Vice President Carlos Ozores, and Foreign Minister Oyden Ortega, with whom we reviewed relations between Panama and Nicaragua. We reviewed the cordiality and fraternal feelings of our relations and we discussed the efforts that the Contadora Group has been making to find a peaceful solution in Central America and an end to aggression. Nicaragua has presented its position on the document the foreign ministers took to Nicaragua a few weeks ago. We agreed with the Panamanian Government on most of the proposals. Afterward, we went to Caracas where we held a very fraternal and cordial 4-hour meeting with President Jaime Lusinchi at the Miraflores Palace. We carefully discussed the situation in Central America, the aggression Nicaragua is enduring, the talks taking place in the framework of the Contadora Group, and the solutions that can be found through Contadora. We can say, at the end of these talks, that we have found that the Venezuelan Government has a positive attitude toward Nicaragua and that the results have been good. Tomorrow we will go to Colombia where we are scheduled to meet with President Belisario Betancur. We can say that so far these talks have been very fruitful for the diplomatic and political interests of our revolution.

[Reporter] Dr Ramirez: With respect to the Contadora Group document presented by the Contadora foreign ministers, has Nicaragua considered that the basic principles of international law should be emphasized? What points of the Contadora document have to do with Nicaragua's sovereignty?

[Ramirez Mercado] First of all, we must say that the Contadora document represents an effort by the Contadora Group countries to promote peace and stability in Central America. There is consensus on some points of the document. We have told this to the presidents of Panama and Venezuela, and we are going to state this to the president of Colombia also. There are points where there is agreement. There are also points that we still have to discuss, points on which there is yet no agreement. Our opinion is that we should start working on the points where there is agreement so that we may draft legal instruments that can compel the Central American states to abide by what is established.

Regarding the points where there is no agreement, it will be necessary to continue discussing them at the level of the Contadora technical commissions. We maintain our position that Nicaragua cannot accept any situation that could affect the sovereignty of any state, Nicaragua included. This is a position based on principles, and it has to do with anything referred to domestic affairs, to domestic political affairs, especially

[Reporter] Dr Ramirez, what other observations will Nicaragua make in the framework of the Contadora effort? When will Nicaragua present its report to the foreign ministers?

[Ramirez Mercado] We are going to finish this round of talks with the presidents of Panama, Venezuela, and Colombia. We will prepare a report after that in which we will present our position. For the time being, we can say that we have found a positive disposition and understanding in the talks we have held in these two countries. Our mission, therefore, has been successful thus far. We will conclude this round of talks Thursday morning with a meeting in Panama with Dr Nicolas Ardito Barletta, president-elect of Panama, who will be sworn in in October. We plan to meet him during a refuelin stop we will make in Panama at the Panamanian Air Force base at Omar Torrijos Airport. After this meeting, we will have a complete view of the situation.

[Reporter] One last question, Dr Ramirez. What prominent people have confirmed their presence in Nicaragua for the celebration of the 5th anniversary of the triumph of the Sandinist people's revolution and who has been invited?

[Ramirez Mercado] Regarding Panama, Venezuela, and Colombia, we have made invitations at the highest government level. Panamanian President Illueca has already told us that he will make every effort to be present for the celebration. We hope he can attend. In any event, the Governments of Panama and of Venezuela, which was very pleased with the invitation to the celebration, will be sending high-level delegations. We are sure we will find the same attitude on the part of Colombian President Betancur. We cannot forget that the fact that the Nicaraguan revolution is celebrating its fifth anniversary is, for the Latin American and Caribbean countries, a historic event. [end recording]

CIA'S 'BLACK MOON' PLAN DENOUNCED AT OAS

PA111632 Managua Radio Sandino Network in Spanish 1200 GMT 11 Jul 84

[Text] Washington -- Edgar Parrales, Nicaraguan ambassador to the OAS, has denounced the CIA plan to try to occupy a portion of Nicaraguan territory and then issue a call to the U.S. interventionist forces. Parrales noted the coincidence of the so-called "Black Moon" plan with the U.S. Government's decision to send a fleet of 20 warships to Caribbean waters off Nicaragua. Nicaragua's denunciation of this CIA plan was not accompanied by a call for immediate action at the OAS. Despite the magnitude of the charge, Nicaragua reiterated its willingness to engage in a serious and constructive dialogue with the U.S. Government for the sake of peace and security in Central America.

FSLN OFFICIAL ON REVOLUTION ANNIVERSARY, VIGILANCE

PA112324 Managua BARRICADA in Spanish 10 Jul 84 p 5

[Excerpts] The FSLN's Regional Committee No 3, through its political secretary, Commander Dora Maria Tellez, yesterday exhorted Managua residents to celebrate the 5th anniversary of the Sandinist people's revolution.

There will be numerous activities including the delivery of land titles to peasants in San Francisco Libre and Villa Carlos Fonseca, the strengthening of the Sandinist People's Militias [MPS], and revolutionary vigilance, as well as a general mobilization for the upcoming electoral registration. Commander Dora Maria said that the mobilization in Managua would be in defense of the revolution, as it has been confirmed that Yankee imperialism has stepped up its attacks, and that the country's defense must therefore be perfected -- from the revolutionary vigilance to the Patriotic Military Service.

Commander Tellez said that the fall of heroes and martyrs should be commemorated with more revolutionary commitment and combative readiness, adding that on 15 July the memory of Commanders Jose Benito Escobar and Julio Buitrago will be honored with these commitments.

This is a general call. We must strengthen the MPS. The Sandinist Defense Committee must increase revolutionary vigilance daily; and this is also required of the organizations in working centers. "It is necessary to keep a close watch on gas stations, production centers, the main sectors in the neighborhoods and electoral board locations as the enemy will try to make us a target of its terrorist attacks," Commander Tellez warned.

LA PRENSA CENSORED FOR SECOND CONSECUTIVE DAY

PA120428 Panama City ACAN in Spanish 0043 GMT 12 Jul 84

[Text] Managua, 11 Jul (ACAN-EFE) -- The opposition newspaper LA PRENSA, published in Managua, did not circulate for the second consecutive day due to problems of "excessive censorship." Pedro Joaquin Chamorro Barrios, co-director of the evening publication, told newsmen that "almost 90 percent of the material that would have appeared in today's issue was prohibited." He added that much of the censored material dealt with several aspects of the expulsion of 10 foreign Catholic priests. Chamorro Barrios said: "Censorship is greater and more intolerable each day." The newsman and leader of the opposition's Social Democratic Party of Nicaragua said that he will ask the Inter-American Press Association (IAPA) to carry out a "continental campaign" to support LA PRENSA in view of the "inflexibility" of government censorship. This is the 11th time this year that the newspaper has not circulated on the streets because of censorship problems. The Sandinist government established censorship on 15 March 1982 when anti-Sandinist groups began carrying out military attacks on this country.

PERSECUTION OF CHURCH SEEN IN PRIESTS' EXPULSION

PA111514 San Jose Radio Reloj in Spanish 1200 GMT 11 Jul 84

[Text] The Nicaraguan Assembly for Democratic Unity, ANUDE, protested the expulsion of 10 Catholic priests from Nicaragua, who were charged with opposing the Sandinist regime. ANUDE claims that the FSLN's persecution of the Catholic Church in Nicaragua began as soon as it assumed power in 1979. According to ANUDE, the FSLN's persecution is part of a worldwide Marxist plan.

VOICE OF SANDINO CLAIMS MIG'S AT MONTELIMAR BASE

PA120027 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2300 GMT 11 Jul 84

[Text] International reports picked up by our monitoring system here in the Nicaraguan mountains tell us that Cuban dictator Fidel Castro has said that not one MIG plane has arrived in Cuba for delivery to Managua's totalitarian regime. Castro, the bearded communist, has denied the information given by international news agencies.

The Democratic Revolutionary Alliance [ARDE] guerrilla forces, fighting against Managua's Marxist-Stalinist regime, can assure our people and the democratic peoples of the world that, according to our internal resistance reports, the traitors do have 10 MIG planes that the Soviets sent for them to bomb our people struggling against totalitarianism and our brother Central American countries. We can also add that Cuban mercenaries are the pilots of these Soviet-made genocidal planes and that these planes are camouflaged at the Montelimar base. Once again Fidel Castro, the Cuban communist dictator, plots with the nine puppets in Managua to murder and enslave our people.

VOICE OF SANDINO REPORTS ON MILITARY ACTIVITY

June Operations Reviewed

PA101444 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2300 GMT 9 Jul 84

["Interim General Command" of the Democratic Revolutionary Alliance, ARDE, Armed Forces War Bulletin for "June," issued in Sarapiqui "free territory of Nicaragua" on 9 July]

[Text] The Interim General Command of the Democratic Revolutionary Alliance, ARDE, Armed Forces reports to the Nicaraguan people and friendly peoples of the world:

1. ARDE's heroic fighters, who are fighting to rescue the revolution that the nine FSLN pseudocommanders betrayed and surrendered to the Cubans and Soviets who trample Nicaragua's sovereignty, carried out 26 military actions against the pro-Soviet Sandinist People's Army [EPS]. These actions were carried out by units and columns that operate from the Nicaraguan mountains. Taking part in the actions were: Juan Alberto Zelaya Zelaya, Gaspar Garcia Laviana, (Martin Lopez), (Domingo Antonio Gutierrez Giron), Juan Pablo Umanzor, (Mario Sanchez Betanco), Francisco Loy, Alvaro Lopez Castillo, Carlos Cortesano, and General Francisco Estrada. The columns were commanded by companeros with the following pseudonyms: Johnny, Conflicto, Mariposa, Zancudo, Ganzo, Adolfo, Pica Piedra, Largo, Mario, Alcaraban, Leonel, Layo, Gavilan, Santo, Cucaracha, Karate, Mojarra, Gringo, Amilcar, Panameno, Peligro, and Ervin.

2. The military actions occurred in the following areas of Chontales, Rio San Juan, central and southern Zelaya Departments: La Milpa, (Colonia La Quesada), (Colonia Las Naciones), (La Estrellita), and (Los Laureles) in Zelaya; Piedra Fina, (Pedro Macho), (Colonia Nueva Horizonte), (Cano del Diablo), (Wayalkil), La Pimienta, Penas Blancas and Sapoa in Rivas; Zacatera, (Damasco), (Cruz Verde), (Mexico), Buena Vista de Sabalo, and (El Espino Blanco) in Rio San Juan; (Las Habas), (Juana Castillo), and the road to San Miguelito in Chontales.

3. Our forces inflicted 447 dead and 194 wounded on the enemy and took 12 prisoners. Eleven members of the hideous state security are included among the dead. We recovered the following materiel: nine AK-47 rifles, three (?RPG's), four (?V7's), packs, munition, and many military supplies. During the (?Wayalkil action) a push and pull aircraft of the Stalinist Air Force was shot down. The command at (Los Laureles) was totally destroyed. A coast guard vessel belonging to the pro-Soviet EPS was damaged.

4. During these military actions, we regret to report that 8 heroes were killed and 15 companeros were wounded. They are recovering in field hospitals operating in the Nicaraguan mountains. After each clash, our fighters withdrew in an orderly manner to the positions in liberated territory in the mountains of central and southern Nicaragua.

Our fighters continue their heroic and patriotic advance into north-central Nicaragua in an uncontainable fashion. They will not stop until they have taken the peasant insurrection to the capital, Managua, where they will celebrate the triumph over Cuban-Soviet expansionism and the recovery on Nicaragua's freedom with all of the people.

Without totalitarianism or a return to the past!

[Signed] Commander Ramon, Interim General Commander of the ARDE Armed Forces

Fighting in Nueva Guinea Area

PA111240 (Clandestine) Voice of Sandino in Spanish to Nicaragua 230 GMT 10 Jul 84

["Interim General Command" of the Nicaraguan Democratic Revolutionary Alliance, ARDE, Armed Forces War Bulletin No 248 issued in Sarapiqui, "free territory of Nicaragua," on 10 July]

[Text] The Interim General Command of the ARDE Armed Forces reports to the heroic Nicaraguan people and the world's friendly peoples that:

1. In the last 72 hours, the Sierra and Indio Command units, led by Commanders (?Letona), Franklin, and Gancho, have clashed with enemy troops of the Interior Ministry, more specifically with the Juan Pablo Ubeda special battalion. The clashes took place in the Nueva Guinea zone.

2. As a result of these clashes our guerrilla squads took over the Las Naciones, Las Milpas, Nuevo Oriente, and (Movil) neighborhoods. During the operations carried out in the past few days in these Nueva Guinea neighborhoods, our forces recovered weapons and war materiel. This materiel gives the Sierra and Indio Command units as important source of logistic self-sufficiency.

3. El Verdun neighborhood is located 2 km from Nueva Guinea. Our guerrilla units sabotaged the power installations there leaving that area without electric power.

4. The Sierra and Indio Command units are fighting against the pro-Soviet Sandinist People's Army [EPS] only 2 km from Ciudad Rama. In an operation carried out 48 hours ago, the brave ARDE columns blocked the road between Rama and Chontales. Traffic between Zelaya and Chontales Departments has been stopped.

5. The army, defender of national sovereignty and ARDE's armed branch, has captured 12 members of the Cuban-Soviet occupation Army. Among the 12 people captured are two members of the repressive State Security forces. The return of these prisoners is being negotiated with the International Red Cross. Our forces suffered no casualties.

Only with bullets will Nicaragua be a republic again.

Without totalitarianism or a return to the past!

[Signed] Commander Ramon, Interim General Commander of the ARDE Armed Forces

Clashes in San Agustin Region

PA110440 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2300 GMT 10 Jul 84

["Interim General Command" of the Nicaraguan Democratic Revolutionary Alliance, ARDE, Armed Forces in War Bulletin No 249 issued in Sarapiqui, "free territory of Nicaragua," on 10 July]

[Text] The Interim General Command of the ARDE Armed Forces reports to the heroic Nicaraguan people and the world's friendly peoples that:

1. At 0900 on 6 July, the Mario Sanchez Betanco column, a fighting column of the Sandino Revolutionary Front [FRS] belonging to the Alacran unit, led by Companero Chicharra, clashed with the Cuban-Soviet Army of occupation, the Sandinist People's Army in the San Agustin region in the (Los Chiles de la Azucena) jurisdiction.

2. As a result of this clash with our people's enemies, the interventionists suffered three fatal casualties. The other members of the pro-Soviet Army patrol fled in a disorderly manner from the peasant inssurection's devastating fire.

3. After this 8-minute clash the enemy fled, leaving behind ammunition and war supplies that the ARDE Armed Forces recovered. We suffered no casualties.

In the face of communist intervention, liberating nationalism!

Without totalitarianism, or a return to the past!

[Signed] Commander Ramon, Interim General Commander of the ARDE Armed Forces

PASTORA TRAVELS TO 'SOUTH AMERICAN COUNTRY'

PA112117 Paris AFP in Spanish 1841 GMT 11 Jul 84

[Text] San Jose, 11 Jul (AFP) -- Anti-Sandinist Commander Eden Pastora arrived in Panama last night and left for "a South American country" this morning, travelers from Miami and a collaborator of the guerrilla in this capital told AFP. Pastora arrived aboard an Eastern Airline plane that he took from Miami where seven first class passengers had to give up their seats so the former Nicaraguan deputy minister of defense and his bodyguards could travel, the sources said. Pastora, who survived a 30 May dynamite attack, has been expelled from the Revolutionary Democratic Alliance, of which he was military chief, because of his opposition to merging with other anti-Sandinist forces led by former Somozist officers. Thus far, authorities have not confirmed Pastora's presence in Panama last night.

U.S. CONGRESS DISCUSSES ANTITERRORIST BILL

PA112255 Havana International Service in Spanish 1600 GMT 11 Jul 84

[Text] The U.S. Congress is currently discussing a bill submitted by President Ronald Reagan which seeks to restrict U.S. exports to countries considered by Washington as hostile or sponsors of international terrorism. The bill drafted by the White House will cut off the supply of all types of goods and services to governments that do not submit to the United States. The Reagan administration's antiterrorist bill has been strongly criticized by many congressmen who feel that the President is taking too many liberties.

U.S. ACCEPTS NEW NICARAGUAN AMBASSADOR

PA120225 Havana International Service in Spanish 1600 GMT 11 Jul 84

[Text] Carlos Tunnerman's appointment as Nicaragua's new ambassador to the United States was approved by the U.S. Government, according to an official communique issued in Managua. The communique issued by the Junta of the Government of National Reconstruction states that the approval of Tunnerman's appointment was announced on 4 July. The communique also states that the new ambassador's appointment is proof of Nicaragua's interest in establishing normal relations with the U.S. Government based on respect for the right of self-determination and independence of the Nicaraguan people. It adds that there is hope that during his tour Carlos Tunnerman will contribute to make the U.S. people and government understand the principles of the Nicaraguan revolution, which is a genuine process by a nation besieged by aggressive U.S. policies.

U.S. BANS REPORTS BY GRENADA JOURNALIST

PA120328 Havana International Service in Spanish 1800 GMT 11 Jul 84

[Text] The U.S. State Department has asked the Pacifica radio network to avoid broadcasting reports dispatched by its correspondent on the Caribbean island of Grenada, which the United States has been occupying militarily since October 1983. The station's correspondent tried to investigate the murder of a 17-year-old youth by the repressive corps, created by Washington, made up of policemen from the Caribbean countries that participated in the October armed attack. For this reason, the journalist was expelled from Grenada. The U.S. State Department maintains that the broadcasting of his reports does not favor the interests of the station for which he works.

CUBAN 'U.S. EXPERT' ON PROSPECTS OF REAGAN VICTORY

PM111238 Rome L'UNITA in Italian 7 Jul 84 p 4

[Francisco Lopez Segrera, "U.S. expert in the Cuban Foreign Ministry Higher Institute of Foreign Relations," interviewed by Giorgio Oldrini in Havana; date not given]

[Text] Havana -- "If, as everything seems to indicate, Ronald Reagan wins the November elections and is reelected President, he will have a free hand to unleash direct aggression against the Salvadoran revolutionaries, Nicaragua, and Cuba." A thin man of about 40 with short graying hair, Professor Francisco Lopez Segrera is the U.S. expert at the Cuban Foreign Ministry Higher Institute of Foreign Relations, that is, one of the closest observers of "the great enemy to the north." I visited him at home following the successful meetings held in Havana by Jesse Jackson, candidate for the Democratic nomination.

"Both Fidel and Jackson," one Western diplomat told me, "were keen to talk and to let everyone know it. Castro in particular thus conveyed his flexible and dialogue-oriented attitude to the United States in order to limit the Reagan effect."

So the pessimism voiced by Professor Lopez Segrera is in fact the main reason for the welcome given by Havana to Rev Jackson and his retinue of 105 newsmen, not forgetting that Jackson is the most authoritative representative and candidate of the black minority, a group which has always prompted so many hopes and so much solidarity with the Cubans. It will be recalled that Fidel visited a hotel in a black neighborhood when he visited the United States soon after the revolution and that the major leaders of the black movement of the sixties visited Cuba. Not to mention the fact thst "African" origins of such a large proportion of the Cuban population shared with the black African [as published] population prompt feelings of identification reflected in their music.

So the Cubans wanted to address the United States via Jesse Jackson. "We want to defend our revolution and not to give away on our principles," Professor Lopez Segrera told me, "but we are certainly not suicidal and will do out utmost to avert a conflict. First, by preparing to respond to aggression, second, by speaking the language of reason to the Americans, the media, everyone."

Professor Lopez Segrera's pessimism stems from the observation that if Reagan is reelected he will be able to act without electoral constraints [coalizionamenti]. "Of course," he told me, "he would have to face the resistance of the Cubans, the Nicaraguans, and the Salvadoran patriots, who would make the Americans pay a high price in terms of human lives. This would create a breakdown of bipartisan consensus and increase internal U.S. opposition and world public condemnation. Not to mention the fact that in the military context Reagan would have to leave other strategic areas undefended to concentrate men and equipment here. That could prove a constraint."

The Cubans are working here to avert disaster. "The Reagan group," Lopez Segrera told me, "has already planned several options. They have a plan for invading El Salvador, while in the case of Nicaragua and Cuba they could consider intermediate solutions involving a greater participation of Central American puppets, and a Vietnam-style blockade and bombardment of the two countries,' vital locations."

The "diplomatic" alternative they would offer the Salvadoran revolutionaries would be to "join the democratic process," in Nicaragua's case to break with Cuba, and in Cuba's case to do the same with the USSR and the socialist camp. Reagan's key document remains the May 1980 Santa Fe report, which stated categorically that "if anti-Cuban propaganda fails a liberation war against Castro must be launched."

Reagan's first presidential term has bene devoted to propaganda, and Cuba is still here. Indeed, according to some U.S. congressmen "the policy of threats and pressure has succeeded only in strengthening the Cuban and Nicaraguan Armies." So Reagan's second presidential term could be the "anti-Castro liberation war" stage, yearned for by the President's men 4 years ago. But what if the Democrats win? Professor Lopez Segrera looked at me skeptically. "If the Democrats won," he said eventually, "they would probably accept negotiations in El Salvador between the guerrillas and the government to reach a kind of shared government. In Nicaragua they would demand the Cuban military advisers' withdrawal in exchange for the U.S. military advisers' withdrawal from El Salvador. They would begin negotiations with Cuba based on the belief that conflict makes the revolution stronger, and that 'working from within' is a better measure."

In any case what seems unlikely is that things will remain unchanged. Just about now," Professor Lopez Segrera reminded me, 'it is 23 years and 6 months since the United States broke off relations on 3 January 1961 and began the policy of not recognizing the country." The case is unique in modern history. But 3 months earlier on 19 October 1960 President "Ike" Eisenhower made another decision destined incredibly to last more than a quarter of a century -- the economic blockade of a small neighboring country 80 percent of whose market was in the United States.

"The first thing to stop was Coca Cola" -- it sounds like the start of a book by Gabriel Garcia Marquez on the history of the blockade. It was not the only thing to stop, but Cuba did not stop and in fact became a fixation for the United States.

"The successive failures of U.S. Democratic administrations (Kennedy, Johnson, and Carter) and of Republican administrations (Eisenhower, Nixon, Ford, and Reagan) in their policy toward Cuba basically have the same cause -- the refusal to accept the fact that as of 1959 our country ceased to be a Yankee neocolony." Of course Professor Lopez Segrera does not lump all the presidents together. Nixon's name was printed in Cuban newspapers with a swastika in place of the "x," while there is some sympathy for the Carter period, which was the closest the two countries ever came, to the extent of opening on 1 September 1977 special disguised diplomatic missions, the so-called "interest sections." Cuba's is officially a special office in the Czechoslovak Embassy in Washington, while the United States' is in Switzerland's embassy in Havana.

In an interview granted to the U.S. magazine PARADE a few months ago Fidel revealed that the very day of Kennedy's assassination he received in Havana via French publisheer Jean aniel an offer of dialogue from the U.S. president. So there is a kind of reassessment here of the man who, by a sinister irony of history, was U.S. president when organized mercenary troops trained, armed, and financed by the U.S. CIA attempted the Bay of Pigs invasion and who the following year sparked off the Cuban missile crisis that brought the world closer than ever to a third world war.

"Fidel's reassessment," Professor Lopez Segrera told me "relfects a historical truth and is furthermore a message to those wanting to understand the United States. It is as if to say: We are willing to negotiate anything reasonable, without preconceptions."

Kennedy was a Democrat; as is Jesse Jackson, who will perhaps never be U.S. President but who is nevertheless willing to make Cuba's flexbile attitude known inthe United States. "We are destined," one Cuban leader told me a while ago, "to meet again with the United States. It may be in a year, 10 years or 100 years, but reason and logic must prevail once more."

ANGOLA SIGNS NEW CONSTRUCTION WORK ACCORD

FL111840 Havana Domestic Service in Spanish 1600 GMT 11 Jul 84

[Text] In Luanda, Cuban Minister Without Portfolio Levi Farah has signed agreements with the Angolan minister of construction for new construction work to be done in Angola by the Union of Caribbean Construction Enterprises, UNECA. The official conversations between the delegation headed by Levi Farah and the Angolan delegation began on Tuesday.

During the conversations, matters related to Cuban cooperation in construction, UNECA, and the joint Cuban-Angolan (?Tengo-Giron) Enterprise were studied. Farah will take advantage of his visit to meet with the Cuban internationalist construction workers who last March fought off the attack on (?Tsumkwe) by UNITA [National Union for the Total Independence of Angola] puppets.

POLISH SPOKESMAN JERZY URBAN CONTINUES VISIT

Discusses Economic Situation

FL111231 Havana Television Service in Spanish 1110 GMT 11 Jun 84

[Text] Antonio Perez Herrero, alternate Politburo member and full Secretariat member, has met with Jerzy Urban, government spokesman of the Polish People's Republic. Urban is visiting Cuba at the invitation of the Foreign Ministry. (Stanislau Arzabec), Jorge Bolanos, Ministry of Foreign Relations [MINREX] vice minister and other officials from the Central Committee's foreign relations department and the MINREX were at the meeting.

Jerzy Urban gave a talk in Havana in which he emphasized the advances made by a stabilized Poland, after the difficult situation which was produced by internal reaction, and supported by imperialism and other powers.

Urban said that Poland was coming out of its economic crisis -- it had interrupted the fall of its economy and was working to again reach its 1979 economic levels.

Holds Press Conference

FL111850 Havana Television Service in Spanish 1700 GMT 11 Jul 84

[Text] Poland's official government spokesman Jerzy Urban held a press conference for Cuban and foreign jouralists in the Hall of Protocol.

At the meeting, Urban gave a brief account of Poland's history and socialist successes, and talked about the causes for Poland's crisis in the last few years. Urban stressed to the journalists that his country's present political situation was absolutely normal and that the antisocialist organization Solidarity had lost influence and power.

He also underscored the Polish United Workers Party and the government's efforts at trying to better the economy.

In reply to reporters' questions, Urban talked about the pressure the United States has exerted to obstruct Poland's return to normalcy and evaluated the role which Poland plays in today's world.

[Begin Urban speech -- recorded] All conflicts in today's world are dangerous, none the less conflicts in Europe are especially dangerous. Maybe, in this geographical area [Cuba], this thesis may sound slightly Euro-centrist, but Europe is where two very powerful military blocs confront each other, and where the preservation of peace is closely tied to the maintenance of the post-World War II status quo which includes the (?economic) status quo. [end recording]

PANAMANIAN LEGISLATIVE DELEGATION BEGINS VISIT

FL111156 Havana Domestic Service in Spanish 1000 GMT 11 Jul 84

[Text] A delegation of the National Assembly of Community Representatives of the Republic of Panama has arrived in Cuba in an exchange of visits with the National Assembly of the People's Government. The distinguished guests were received by Jose Aranaburo, secretary of the Cuban National Assembly, and Ramiro del Rio, chief of the National Assembly's International Relations Department. Carlos Alvarado, a legislator from the Panamanian province of Chiriqui, heads the delegation that, during its 1-week stay in Cuba, will visit places of interest in Havana City Province, Cienfuegos, and Matanzas.

MONTANE ATTENDS COMMUNIST PARTIES MEETING

FL111337 Havana Television Service in Spanish 1210 GMT 11 Jul 84

[Text] Prague -- Jesus Montane, Cuban Politburo alternate member, and full Secretariat member, is participating today in the meeting of ideological and international secretaries from socialist countries' workers and communist parties which is taking place in Prague.

Bulgaria, Cuba, Czechoslovakia, Hungary, Laos, Mongolia, Poland, the GDR, Romania, the Soviet Union, and Vietnam are represented at the meeting. Montane, who arrived in Prague yesterday from Yugoslavia, will end his tour here after having visited several European socialist countries. Throughout his tour, Montane has held extensive conversations with high level officials from various communist parties with whom he discussed current world problems and the development of inter-party relations.

ARMY, REBELS CLASH IN EASTERN EL SALVADOR

PA112157 Havana International Service in Spanish 1600 GMT 11 Jul 84

[Text] Violent clashes have occurred in the eastern part of the country, where the rebels control the main highways, between the guerrillas and the Salvadoran Army. The Army's specialized battalions -- Bracamonte, Atonal and Lenca -- were attacked a few hours ago by FMLN units. The army also suffered 60 casualties in an ambush carried out by the rebels in San Miguel Department. Meanwhile, the Armed Forces Press Committee [Coprefa] reported that it does not know anything about the rebels having anti-aircraft rockets. Just a few days ago Jose Napoleon Durate, chief of the Salvadoran regime, assured that the FMLN had Soviet made SAM-7 rockets. The FMLN General Command denied Duarte's assertion which it has termed a propaganda stunt to obtain more U.S. military aid.

HONDURAS' MARIO RIVERA ON SALVADORAN POLICY

PA120105 Havana International Service in Spanish 1600 GMT 11 Jul 84

[Text] Honduran National Party leader Mario Rivera said his country should not be used as a training base for the discredited and corrupt Salvadoran Army. Until the border problem between El Salvador and Honduras is adequately solved, the Honduran Government should try to maintain a prudent, neutral attitude in relation to the Salvadoran domestic problem, Rivera said. He added that the Honduran Armed Forces should carefully revise the support it is giving to the Salvadoran Army, which murdered thousands of Hondurans during the 1969 war.

NICARAGUA'S JOSE LEON ENDS VISIT TO BRAZIL

PA112111 Havana International Service in Spanish 1600 GMT 11 Jul 84

[Text] Nicaraguan Deputy Foreign Minister Jose Leon Talavera concluded his visit to Brazil on Tuesday. During his visit he discussed the current Central American situation with Brazilian officials.

At a news conference in Brasilia before departing, Talavera said that he had brought a letter from Daniel Ortega Saaverdra, coordinator of the government junta, to President Joao Baptista de Oliveira Figueiredo, explaining his country's position regarding the Central American crisis. Talavera stressed Nicaragua's support for a peaceful solution to the conflict and for the Contadora Group's efforts in that direction.

URUGUAYAN MULTIPARTY MOVEMENT MAKES DEMANDS

PA120053 Havana International Service in Spanish 1600 GMT 11 Jul 84

[Text] The political groups that comprise the Uruguayan multiparty movement have decided in Montevideo to demand that the government implement the necessary measure to prove its intention to restore the country's democracy before negotiations can continue for an agreement on the 25 November general elections.

Representatives of the Colorado Party, the Civic Union and of the outlawed Broad Front Coalition said that among the measures they are demanding the government to implement are amnesty for political prisoners, press freedom and the rehabilitation of all political organizations.

The National Party [Blanco Party] is not participating with the multiparty movement in the negotiations with the government to protest the arrest of its leader and presidential candidate Wilson Ferreira Aldunate.

Meanwhile, Retired General Lider Seregni, the Broad Front's main leader, said in Montevideo that his organization will participate in the November elections with its own program.

HAVANA UNIVERSITY HOLDS COMMENCEMENT EXERCISES

FL111401 Havana Television Service in Spanish 1210 GMT 11 Jul 84

[Excerpt] Havana University has held its 25th commencement exercises at the Karl Marx Theater in Havana. The graduating class included 2,080 students from regular day classes and from classes for working students. The graduation was presided over by Politburo members Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, Armando Hart Davalos, minister of culture, and Julio Camacho Aguilera, first party secretary of Havana.

CARICOM ISSUES 'NASSAU UNDERSTANDING' DOCUMENT

FL091621 Bridgetown CANA in English 0028 GMT 9 Jul 84

["Text" of "Nassau Understanding on Structural Adjustment and Closer Integration" issued 7 July by Carribean Community (Caricom) heads of government]

[Text] Nassau, Bahamas, July 8, CANA -- Introduction:

Heads of government of member states in the Caribbean Community (Caricom), meeting in Nassau, July 4 to 7, 1984, reviewed the report on "Measures for Structural Adjustment in the Member States of the Caribbean Community" prepared at their request by the Caribbean Development Bank (CDB) in consultation with member countries, other regional institutions, and individuals. They expressed appreciation to the president and staff of CDB for the thorough and penetrating analysis contained in the report. Following upon discussion of the report, they were in general agreement with its recommendations.

This statement records their understanding of the problem of structural adjustment as well as the policy actions which governments may take at the national level together with those that will be initiated through arrangements within the Caribbean common market. They also identified specific matters that they will pursue jointly in their internal economic relations.

This common understanding of the need for policy action is to be set against the recognition that each country will formulate [passage indistinct] social objectives. A number of countries have already initiated various measures with regard to structural adjustment, incorporating several of the measures outlined in the document.

Structural Adjustment and Development:

Statement of the Problem:

Heads of government recognise that structural adjustment is an integral part of the development process. It essentially involves a conscious and determined shift to a new development path to accelerate development, while adapting to major external or internal shocks to the economic system. These shocks could come about through occurrences such as a sudden and sharp deterioration in the terms of trade; abrupt increases in external debt service; continuing declines in volumes of major agricultural exports and local food production; and the depletion of a major natural resource.

Similarly, countries which have gone through a period of windfall gains in export earnings and incomes face a situation where, after the booming export sector has slowed down, a legacy is left of extremely high expectations for improvements in living standards, while production costs in the rest of the economy had escalated to uncompetitive levels during the boom period. The task facing such countries of containing expectations and of finding new competitive lines of production is extremely difficult.

Other countries are in a situation where their economic problems reflect themselves in the form of protracted fiscal deficits, contraction in imports and economic growth, and in the difficulties being experienced in increasing the efficiency of traditional sectors and developing nontraditional sectors.

All these situations have a serious negative impact on the balance of payments which experience shows cannot be eliminated solely by measures to contract demand through drastic reductions in public and private consumption expenditure, the compression of imports, and more restrictive monetary policies.

Demand contraction policies are appropriate where the elements of weakness in the balance of payments are reversible over a short period of time. Where balance of payments' problems are structural in nature, demand management needs to be accompanied by more direct measures to expand and/or to diversify and make more competitive production of goods and services, both for export and for domestic consumption.

In such circumstances, demand contraction policies can amplify the already deflationary effects of the initial shocks, leading to a continuance of slow and even negative growth, howerver hard governments may try to change the course of their economies in the direction of faster growth and development. Instead, there is a general decline in confidence, characterised by the flight of human resources, reduced production and productivity, and the emergence of a large underground sector in the economy.

Governments progressively lose control over economic events, which can put the entire economic and social fabric at risk. The intricacies of the development problem in the Caribbean need to be thoroughly understood. Although incomes per head may appear to be high compared to the other countries, these rest on rather fragile foundations. In the typical case the economy is depending on one or two staple activities for the bulk of its income, employment, government revenue, and export earnings. The agricultural sector, in order to raise productivity and to establish efficient mechanisms, particularly with the respect to local food production, needs improved skills and appropriate technology.

Despite some progress in industrial development, the manufacturing sector has not yet developed strong linkages with the rest of the economy, local enterpreneurship is not broadly based, and the export capacity of the sector is still rudimentary.

The productive sectors, together, are not yet in a position to provide sufficient employment opportunities for the growing labour force. High rates of open employment and underemployment persist, especially among school leavers who are frustrated in the search for jobs and recent migrants to the urban areas.

Such economic conditions breed chronic discontent, crime, violence, and political extremism, putting at risk national cohesion [passage indistinct] economic policies:

The governments are determined to steer their countries away from a situation of economic and social breakdown. They nonetheless recognise the meaningful adjustment is painful and can be difficult to manage as it may reduce the standard of living of the majority of social groups. Sensitive to the needs of the poor, they intend, with the narrow margins available to them, to adopt measures to cushion the adverse impact on the adjustment process on the most deserving groups in their societies.

Governments recognise a very important role for the private sector within a framework of a socially just market economy achieved through the catalytic actions of the government. They call upon all sectors of their populations to view the present economic difficulties as requiring the fullest possible exercise of local initiatives, thereby bringing into play all energies and skills, particularly of the young who are more literate than hitherto and most adaptable. The heads are also determined to actively encourage the considerable incipient entrepreneurship which exists in both the rural and urban sectors.

They decide that each government will formulate and implement at the national level a comprehensive programme of support, and provide incentives for the emergence of broadly-based local entrepreneurship. Such programmes will include management training, assistance with identifying sources of technology and venture capital, as well as access to the range of commercial and financial services essential for business development, particularly in the export field.

In the specific case of the rural sector, governments commit themselves to further action for the better utilisation of agricultural land and to modernise the sector through determined efforts to develop a broadly-based agroindustrial environment.

Heads of government recognise that despite the difficulties in the international environment, there are unique opportunities to be grasped by local entrepreneurs. The member states of Caricom have never had such a wide array of export market opportunities as is now available to them. A determined thrust toward more efficient production and greater orientation toward export could help to transform the community into a centre for investment and foreign trade, through judicious management of the process. Such investment and trade could increase the resilence of the economies and substantially strengthen their capacities for sustained growth, development, and structural transformation.

The heads are mindful that their economies should continue to rely significantly upon market mechanisms to determine prices and the allocation of resources. However, a process of structural change cannot, under Caribbean conditions, be left to evolve through spontaneous forces. The objective of getting prices right will be pursued through purposive national planning that will concretely shape the short- and long-term directions through which the economies can attain their maximum growth potential and satisfy basic human needs.

According, governments declare their intention to strengthen their machinery for national planning; to involve all sectors of their societies in the processes of plan formulation, implementation, and monitoring; and to strengthen the links between development plans and the short-term management of the economy. Careful and continuing attention will also be given to the size, composition, and financing of public sector investment programmes.

It is one of the tasks of planning to extend the arena within which all nations in a position to do so can, on their own or with overseas partners, contribute to the aggregate of investment and production decisions that will accelerate growth and development. However, governments are prepared to do more.

In appropriate cases, particularly where new technology and new markets are involved, and where local capacities have not sufficiently emerged, they will assume a catalytic role in starting new joint ventures with local and/or overseas partners, establishing from the outset arrangements for divestment to nationals. Governments realise that such a catalytic role requires insistence on the enforcement of sound commercial management practices, transparency in operations, and establishment of independent machinery for monitoring accountability to the public.

An unrelenting drive will be made to enforce operating efficiency in all public sector activity. Consequently, there will be an upgrading of the management and functioning of existing state enterprises and public utilities, including giving them the autonomy and responsibility to operate in strictly commercial lines within broad policy guidelines clearly laid down by the government.

Also, there will be continual reviews of the possibilities of divestment of commercial enterprises to the local private sector and to joint venture with foreign partners where they are willing and capable of brining to the enterprise new technologies and market penetration intiatives.

The heads agree that the principal objective of macroeconomic policies should be to achieve and sustain a dynamic and rational balance between the level, composition, and growth of the domestic demand for goods and services and their local and regional availabilities.

This involves, inter alia, fiscal discipline to keep public expenditure within the real resources available to the public sector, and the use of fiscal and monetary instruments to foster sustained growth and bring about an appropriate balance between consumption and investment.

Altogether, the overall thrust of adjustment policies will be to increase the share of exports and investments in the aggregate demand for goods and services, and to expand the contribution of domestic production relative to imports in aggregate supply.

Policy will aim to a greater outward orientation of the manufacturing sector, and mainly, but not exclusively, at greater national and regional self-sufficiency in food. Heads of government decide to give top priority to launching a major export drive, both with respect to traditional and nontraditional items.

They agree that, among other things, this has to be a truly national effort, whereby the entire population becomes sensitised to the urgency of achieving competitiveness in all economic activities, whether directly serving export markets or not. Government support and incentive programmes for the export sector will be significantly upgraded.

Heads of government are mindful of the mutually reinforcing links between export development and increased domestic investment and savings. The growth of national savings must come from more resolute efforts to plough back profits, to limit non-essential consumption and increase personal savings, and to achieve larger budget surpluses in central governments, public utilities, and state enterprises. These have to be underpinned by policies of income restraint throughout the economy.

All parts of the society have a contribution to make to income restraint; companies should limit dividend distribution and freeze executive salaries as well as fringe benefits for specified periods.

The trade unions and their members have a part to play in limiting and moderating claims for increases in remuneration packages. The process of structural adjustment may result in some amount of short-term dislocation.

It is acknowledged, however, that failure to adjust structurally will also have the consequences of the even more serious problem of large-scale unemployment. Governments themselves will exercise strict economy in public expenditure on wages and salaries and on consumption.

The heads observe that income and price restraint will give all of the economies a breathing space to translate productivity increases into more competitive cost structures which can be translated into creative investment, job opportunities, export, and growth.

Although the role that exchange rate policies can play in achieving a competitive cost structure depends on the circumstances of each individual case, heads of government acknowledge that suitable exchange rate adjustments and/or productivity increases, arising from greater managerial efficiency and enhanced worker motivation, are options that can improve the competitiveness of the regions' exports and attractiveness as an area for investment.

Heads of government recognise that the successful execution of macroeconomic policies contributes significantly to the improved performance of individual sectors. They are conscious of the need to alleviate a number of structural weaknesses in the more traditional sectors of export and domestic agriculture and mining, but recognise that this must be accompanied by a major thrust to expand and/or activate production in newer fields such as agroindustry, manufactured products with high world market growth potential, and tourism.

Accordingly, they give their broad endorsement to the action programmes as set out in the report to improve sectoral performance in export and domestic agriculture, livestock, agroindustry, fishery, forestry, manufacturing industry, tourism, energy, bauxite/alumina, science, technology, and information.

They decide that these recommendations and the policies and programmes in the report from which they derive will be elaborated, refined, and followed up by the sectoral ministries concerned and ask that ministers report to them through the relevant standing committees on the progress being made with implementation.

In furtherance of the objectives to involve the population more closely in development and to widen the local entrepreneurial base, governments agree to pay major attention to strengthening the educational system at all levels, offering opportunities for the acquisition of skills that will directly contribute to the modernisation and development of the economy.

Accordingly, deliberate efforts will be made to introduce technology as a major component in primary, secondary, and tertiary education. All school children will be exposed to the principles underlying agricultural, technical, and vocational skills. The system's analytic approach, including the use of computers [passage indistrinct] certificate, diploma, and degree programmes in the information technologies as well as courses geared to the application of these technologies in agricultural manufacturing, to tourism, and other services.

The tertiary educational systems will be strengthened and restructured to provide comprehensive training opportunities for paraprofessionals and middle-level supervisory occupations.

Given the large expenditures and the specialist staff that such an upgrading entails, governments will work closely together to develop the tertiary system as a regional network of institutions that will complement each other in providing the wide range of training required.

In this regard, heads of government agreed that the University of the West Indies, as the premier tertiary educational institution in the region, was already making a major contribution towards satisfying the member states requirements for professional manpower. They noted that with the completion of the Mount Hope medical complex in Trinidad and Tobago in 1985, the university would have the capability to satisfy the region's need for professional manpower in the fields of medicine, dentistry, and veterinary science.

They recognise the high international standing of UWI degrees, and urged member states to desist from any steps which could impair that standing. They agreed that in cases where surplus student spaces are available, they could be offered to students from outside of the region on internationally competitive terms. They reiterated their commitment to restructure the UWI with effect from 1 October 1984.

Heads of government are anxious that everyone should have easy access to better health care. To this end, community and preventive medicine involving primary care, public health, and prevention will be emphasised. They are particularly concerned with the poor state of nutrition in some countries which is not only the result of low incomes but also of limited knowledge concerning the nutritional properties of individual foods. Accordingly, they agree to intensify programmes of nutritional education and to focus on nutrition in maternal and child care programmes, to have desiderated inform their domestic agricultural production mixes [as received] and to pursue import replacement initiatives in their continuing effort to assure adequate nutritional levels for their populations.

Heads of government realise that improvements in education and health will have beneficial effects on productivity and efficiency. However, specific steps will also be taken to achieve thoroughgoing institutional reform. This will include virtually all of the public institutions servicing the economy in areas such as development, finance, and credit, [words indistinct] and extension services; agricultural marketing systems services; education; science and technology; industrial, agricultural, and tourist promotion; and export promotion.

The entire public institutional framework will be geared towards becoming more result-oriented, setting the pace for the central government and for the economy as a whole. The agencies concerned will be restructured to make them into centres of creativity, innovation, operational efficiency, and dedication to the achievement of national goals.

The public services themselves urgently require major upgrading and reform. Governments will take immediate steps to strengthen the capacities of the public service for policy analysis and for financial management. Special attention will be paid to improving the machinery for planning, budgeting, and project implementation.

External Financial Assistance Requirements

External financing is a sine qua non for successful adjustment and must go together with strict internal economic measures. Heads of government are convinced that to implement a path of sustained development and increased local initiative in the beneficiary countries requires greater provision by foreign governments and international financial institutions of short- and longer-term finance on appropriate terms.

In relation to short-term finance, in some countries the overhang of external debt service is constraining the flow of maintenance imports, and has curtailed capital imports for new projects needed to accelerate growth. The debt overhang also erodes the foreign exchange required to build reserves to more credible levels. Certain Caricom countries need subtantial debt relief as a matter of the greatest urgency, involving extending amortization and softening of interest payments. In this connection, heads of government urge creditor countries and banks to respond to the need to refinance debt in a timely and positive manner.

Longer-term financing is also required since the process of structural adjustment cannot succeed without concessional money to support the building-up of a virtually new economic and physical infrastructure which has already been noted.

In addition, there is a need for programme finance to eliminate critical import bottlenecks and scarcities of raw materials, parts, and spares. To some extent, finance for short-term stabilisation programmes can help with the latter requirement, but such finance cannot on its own bring about the scale of the adjusted effort required.

The immediate requirements of the region for short-and long-term finance call for greater commitments and a sense of urgency. The international donor community is already making a useful contribution, including drawing attention to the policy options open to countries and the benefits to be sustained from mobilizing private finance, especially direct foreign investment.

The donor community must be encouraged to move a state further by making multi-annual pledges of additional concessional finance for structural adjustment.

External financing should also foster the strengthening of the intraregional framework for trade, economic, and financial cooperation and for such cooperation between member states of Caricom and the remainder of the international economy.

Finally, the new arrangements for external financing should be directed towards achieving the establishment within the region of organisational machinery to promote effective cooperation between the donor community and member states.

If all of the foregoing requirements for external financing are met, the countries of the region will then have available to them the basic elements for implementing a "Marshall Plan" strategy of reconstruction and development.

The Caribbean Common Market Objectives

Heads of government stress the cardinal importance of revitalising intraregional trade and payments and of achieving greater cooperation and coordination of efforts in the field of production.

In relation to the trade regime, they endorse the decision of the Common Market Council (Council) to establish interim arrangements for mutual trade expansion among member states. They affirm their resolve that these interim arrangements will give way in the shortest possible time to a return by every member state to full adherence to the formal obligations of common market membership.

Heads of government agree that the Common External Tariff (CET) should replace, over a phased period, quantitative restrictions as the principal instrument of protection in the Caribbean common market with low rates of duty on imported raw materials and other intermediate and capital goods. They recognized, however, that certain agricultural and industrial products will need additional support on a common region-wide basis. They decided to ask Council to accelerate its work on the establishment of a single CET.

They also stress the urgency of undertaking the necessary technical work to substitute common external tariff rates for national quantitative restrictions against third countries as permitted under the provision of the annexes to the treaty and ask Council to take expeditious action on this matter.

They agree to institute or strengthen, as necessary, statistical systems to provide timely import data to monitor the flow of imports against foreign exchange availability. They acknowledge that the satisfactory operation of these systems will progressively reduce the need for the introduction or maintenance of import licensing systems, and ask Council to take expeditious action on this matter.

Heads of government also decide to update and revise the agreement on harmonisation of fiscal incentives to industry in order to give more encouragement to extraregional exports. They also agree to establish arrangements, including the Caricom Enterprise Regime (CER), as appropriate for the "regulated movement of capital," as well as entrepreneurial and managerial skills between the countries of the common market.

Heads agree on arrangements to facilitate the early reactivation of the Caricom Multilateral Clearing Facility. They direct that ministers of finance consult urgently among themselves, through the secretary-general, about possible joint initiatives to secure external financing for a recommencement of the facility's operations.

They re-state their support for a regional payments support fund and request the secretary-general to invite the cooperation of the president of the CDB in actively pursuing this matter with the international donor community.

Agriculture [Passage indistinct] regional consumption. They support measures to liberalise intraregional trade in agricultural products, while providing safeguards for regional production, vis-a-vis imports from (?third) countries.

They agree to the strengthening of operational agencies for developing and implementing food projects directed towards supplying the regional market. They welcome the initiatives that individual governments are taking to develop extraregional exports of new agri-business products, including exotic fruit and horticultural products, tropical foliage, and fresh vegetables, and consider that there is also room in this field for cooperation among member states.

Industry and Agroindustry

Heads of government give priority to concerted action to achieve a fuller utilisation of existing industrial and agroindustrial capacity in member states and greater complementarity in the development of new capacity. In particular, they stress the urgency of promoting industrial and agroindustrial growth in the Less Developed Countries (LDC's). They agree that special steps will be taken by all Caricom member states to encourage the use in their development projects of goods and services of Caricom origin

They decide that a joint approach will be made to the international donor community to untie bilateral aid for the purchase from Caricom sources of raw materials and intermediate goods as well as staple items in mass consumption. They further agree that Council should examine, taking into account relevant factors, including consumer interests, what steps can be taken to discourage the establishment of new industrial capacity for supplying the regional market exclusively with products for which there is already significant underutilised capacity.

Heads of government give primary importance to greater cooperation in the field of industrial promotion. They stress that in cases where individual countries are confronting serious shortage of expertise and very limited financial (?resources for) these purposes, they stand to gain from cooperative rather than competitive efforts in this field. These were particularly relevant to promotional work on attracting industries for export to extraregional markets. They decide to concentrate their initial promotional efforts on existing export opportunities in the United States, EEC, and Canada, where their member states have special access.

They also recognise the potential for breaking into new markets, such as those in mainland Latin America, in the context of the action contemplated in the Quito Declaration and [words indistinct].

Heads of government agree that the new emphasis on promoting extraregional industrial exports is fully consistent with the strategy of efficient production for the local and regional markets.

The larger and technologically complex industries can be expected to sell much of their output on the world market, but there will still be considerable scope for a thriving small- and medium-scale industrial sector, producing for the national and regional markets either final consumer goods or inputs for the bigger extraregionally (?oriented) manufacturing industries.

Moreover, such [word indistinct] and/or regionally oriented production can provide important "learning effects" for eventual entry into the extraregional markets.

Physical and Institutional Infrastructure

Heads of government reviewed the situation with regard to regional transport. They welcome the improvements that have taken place and where in prospect with respect to both WISCO and LIAT. They returned to the quest of a regional air transport system centered around BWIA and involving the airlines in the region. They noted that Caricom states had accepted the principle of community of interest and that this was recognised by ICAO.

They also noted that certain Caricom states had designated BWIA as their national carrier on certain routes and welcome the possibility of further initiatives to integrate airline services in the region. They agree on the need for BWIA to plan on the basis that traditional fifth freedom rights through the Eastern Caribbean to the UK and North America certain Caribbean destinations will continue. [sentence as received] They decided that the chief executive of regional airlines should continue to work out further details of promoting cooperation in this field and on a timetable of its implementation.

Heads of government also identified opportunities for maximising the utilisation of scarce expertise in the region through the development of common technical services and pools of experts. This need was particularly acute among the member countries in the Organisation of Eastern Caribbean States (OECS). It was agreed that the MDCS will assist the OECS, as far as possible, in meeting their needs for specialised services.

External Economic Relations

The heads of government examined questions of external economic relations, and, without prejudice to earlier discussions of specific items, agree to take joint action on addressing in the international arena the issues of the critical external debt problems of some Caribbean countries, old and new forms of protectionism in the industrialised countries, reform of the international monetary system, and the need for periodic and adequate increases in world liquidity.

Additionally, they plan to approach donors and the international institutions about the premature "graduation" of some Caricom countries from eligibility to receive both hard and soft loans from international financial institutions. They would also urge these institutions to make greater provision for the external funding (in foreign exchange on semi-concessionary terms) of intraregional payments in integration groupings and to provide more financial support for regional integration projects.

Following upon their discussion of prospects for developing mutual trade with other developing countries, heads of government agree to pursue closer economic and cultural cooperation with the non-English-speaking Caribbean countries and to offer them observer status in certain standing committees concerned with functional cooperation. Heads of government also agree that there should be joint technical groups between Caricom as a group and the Dominican Republic, Haiti, and Suriname to assist with the design and implementation of a programme of cooperation, particularly in the field of trade.

They express their deep interest in following up possibilities for greater trade and economic cooperation within Latin America. As a first step, they ask the secretary-general to hold exploratory discussions with the Andean Group about the possibility of negotiating broadly-based preferential grade and economic cooperation agreements with them. They give a similar directive to explore possibilities with Brazil, and to invite the Government of Mexico to broaden and deepen its existing cooperation agreements with other countries and groupings should be studied by the Secretariat. [sentence as received]

Heads of government decided that the Caricom countries as a group should participate in the preparatory work on the establishment of Global System of Trade References among developing countries (GSTP), and ask the secretary-general to discuss with member states having resident missions in Geneva what practical arrangements can be made for such participation.

The Governments of Jamaica and Trinidad and Tobago announced their decision to sign and ratify the agreement establishing the common fund for commodities. The Governments of Barbados, Dominica, Guyana, and St Lucia decide to sign the agreement and by so doing declare their readiness to ratify the agreement as soon as they are in a financial position to do so.

Having already signed the agreement, the Government of Grenada is willing to ratify the agreement on the same basis, while the Governments of Antigua and Barbuda, Belize, and St Christopher and Nevis signify a similar preparedness to accede to theagreement when it enters into force.

Heads of government authorise the secretary-general to, on request, help any member state to explore the possibilities for financial assistance towards the payment, in whol or in part, of their capital subscriptions to the common fund.

Heads of government underscore their deep interest in the successful conclusion of negotiations for a Third Lome Convention of the EEC-ACP, and express appreciation for the leadership given by the Right Honourable Hugh Shearer, deputy prime minister of Jamaica, in the negotiations and for the work being done by regional ministers, officials, and the Secretariar in this regard.

They look forward to an early and satisfactory settlement of outstanding issues in negotiations. They fully endorse the decision already taken by Council to nominate Mr Edwin Carrington for the post of secretary-general of the ACP Secretariat and ask the chairman of the meeting, the prime minister of the Bahamas, to convey their endorsement to the heads of government of other ACP countries.

Forward in Unity

In concluding their discussion of the economic situation, heads of government throw out a challenge to all parts of their communities to respond positively to this historic opportunity for changing the course of events in order to move into a phase of sustained development, bringing benefits for all. They feel that this is a moment when, coming together in a spirit of cooperation and solidity, the countries of Caricom can harness their undoubted potential for development.

In discussing the role of Caricom in structural adjustment, heads of government reaffirm the spirit of Caribbean cooperation and solidarity which has always constituted the foundations of the community. They do not perceive a regional community as requiring rigid conformity to a single point of view.

In common with other integration groupings, both among developed and developing countries, there are occasions when member states will differ on individual issues. What was essential for regional unity was that areas of agreement should outweigh those of disagreement.

Heads of government re-state their dedication to strengthening the common ground among their countries, to continue helping one another in a "spirit of accomodation and togetherness," and to maintaining regular contact among themselves, keeping up the frank, cordial, and constructive exchange of views that has traditionally characterized intraregional relations.

CONGRESS REJECTS PROPOSED CARICOM WAGE FREEZE

FL111420 Bonaire Trans World Radio in English 1130 GMT 11 Jul 84

[Text] The secretary of the Caribbean Congress of Labor says proposals for a regional wage freeze made at last week's Caricom summit meeting are unacceptable in light of widespread price increases. Mr (Curtis Agustus) said Caribbean labor leaders will not accept wage freezes because it would mean accepting a lower standard of living.

In a statement issued at the end of the Caricom conference in the Bahamas, 11 Caricom heads of government proposed freezing wages as a means of stimulating ailing regional economies. The freeze would affect workers at all levels from executives to laborers.

COMMONWEALTH COMMUNICATIONS MEETING BEGINS

FL111445 Bridgetown CANA in English 1805 GMT 10 Jul 84

[Text] Kingston, Jamaica, July 10, CANA -- Caribbean states have been challenged to submit proposals for the greater use of technology as part of intraregional cooperation. The challenge was thrown out by Jamaica's Minister of Public Utilities and Transport Pearnel Charles Monday when he opened the 24th meeting of the Commonwealth Communications Council in Montego Bay.

The five-day meeting, which is being attended by 29 Commonwealth states, including four from the region, will discuss new financial arrangements and the programme of training.

Charles said that it is essential that in the Caribbean, states continue to explore ways and means of greater regional cooperation. As an example of intraregional cooperation in technology, he cited the distance teaching programmes linking the three campuses of the University of the West Indies (UWI) and university centres in the eastern Caribbean. These, he said, appeared to be working well.

Turning to the international scene, he said that Jamaica was situated on the periphery of the superpowers, adding that the country was very aware of the changes in technology in the United States, one-and-a-half hours away.

However, he said, Jamaica could rely on her Commonwealth partners to help review objectively the prolife :ting technology on a global basis and to help to adopt that which was suited for its needs. "I know that this organisation is but a small one in the world community, but as I see it you are the vital one," he said.

Regional states represented are Barbados, Guyana, Trinidad and Tobago, and host Jamaica.

TRINIDAD AND TOBAGO

CHAMBERS DISCUSSES CARICOM SUMMIT MEETING

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[By Rudi Williams]

[Text] Port-of-Spain, Trinidad, July 10, CANA -- Trinidad and Tobago's Prime Minister George Chambers says that his government has adopted a "wait and see" attitude toward undertakings given at the just concluded Caribbean community (Caricom) summit in Nassau. "I wouldn't like to say (the summit) was successful or unsuccessful," said Chambers to reporters shortly after arriving at Piarco Airport last night. "Several undertakings have been given, and in Trinidad and Tobago we have had undertakings before. It remains for the undertakings to be implemented...therefore we'll wait and see."

Port-of-Spain, the community's major absorber of intraregional exports, has been angered by what it says is a lack of reciprocity in trade from its partners. The government responded with an import licensing regime but indicated in Nassau it was prepared to phase out the system now hurting community exporters after it was satisfied that member states carried out their pledge to buy Trinidad and Tobago's goods.

"From Trinidad and Tobago's standpoint we have had undertakings before," the prime minister stressed last night. "They go back several years...decades and some have not yet been implemented. I repeat that let us wait and see whether the implementation wil follow the undertakings."

The oil-rich state, which was generous in aid to community members during its recent decade of oil boom dollars, has also been peeved by what it sees as scant appreciation by member states for Trinidad and Tobago's belt-tightening position and inward-turning during a period of economic downturn and a struggle to maintain foreign reserves while trying to step up exports.

Chambers had said in Nassau that the main issue at the summit as far as he was concerne was whether the regional integration movement would survive. When asked last night in the aftermath of the conference whether he was satisfied that the community would survive, the Trinidad and Tobago prime minister said: "My satisfaction will be disclosed after I see implementation of the undertakings."

Caricom leaders agreed to use "every possible means at their disposal to purchase from regional sources." A list of products was given.

Chambers said he put this list among his priorities among the summit decisions. He noted that the list contained a number of products "which will be, I think, exclusively purchased from the region." Said the prime minister: "It's a very interesting list, and Trinidad and Tobago can supply everthing on that list." He however acknowledged th the oil-rich state was "not a low-cost producer" and hinted that measures must be taken to improve its competitiveness.

"There remains, of course, the question which some people may not like to hear," said Chambers, "and that is, with the best will in the world, nobody would buy your goods unless your prices are competitive. I trust employers, trade unionists, and the work force will take note of this."

According to the prime minister, Trinidad and Tobago has been reinforcing the need to become competitive in national budgets since 1982.

He saw the structural adjustment strategy proposed by the Caribbean Development Bank (CDB) as essentially a matter for individual governments but felt that Trinidad and Tobago was not "well into the meat of what is proposed by the president (of the CDB) and his team."

Asked how soon he hoped to see implementation of trade decisions at Nassau, Chambers drew attention to the January 1, 1985 date set by the summit itself. "It doesn't necessarily mean that all will come (to fruition), said the prime minister, "but one will hope that a substantial amount would."

Chambers also rejected suggestions that the tenor of his blunt address at the opening ceremony in Nassau indicated skepticism by Port of Spain about Caricom. "I am not skeptical at all," the prime minister insisted. He recalled that what he had adverted to in his speech, among other things, was the extent to which Trinidad and Tobago had been given commitments going beyond 1976. "We have all sorts of documents signed by Trinidad and Tobago and others and if you check the fine print you will see that we have complied and some have not," he said.

Chambers added that to say he was skeptical would be harsh on the efforts of people at the conference -- "among them my own colleagues -- all of whom worked "very hard to accomplish what has been accomplished."

Asked whether he thought the summit had helped member states come closer together after the Grenada events of last October, Chambers said Grenada was not an issue at the conference.

In the context of his statement at Nassau that there had been a deterioration in the quality of relations among member states, Chambers was then asked whether he thought this opportunity for interface among leaders had helped improve these relations. "The answer perhaps is "yes", the prime minister replied. He added: "There was a better understanding of where everybody stands."

Chambers was greeted on his return home by several government officials including ministers, scores of cheering party supporters, welcome banners, steel band music, and some folk dancing. "You were great," said one placard being waved from the public gallery, endorsing the widespread support expressed here for Chambers' tough-talking address at Nassau.